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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

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UNITED SERVICES AUTOMOBILE) (
ASSOCIATION

4

) (CIVIL ACTION NO.

5

VS.) (2:18-CV-366-JRG

6

) (MARSHALL, TEXAS
JANUARY 8, 2020

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WELLS FARGO BANK, N.A.) (12:44 P.M.

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TRANSCRIPT OF JURY TRIAL

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AFTERNOON SESSION

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BEFORE THE HONORABLE CHIEF JUDGE RODNEY GILSTRAP,

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UNITED STATES DISTRICT JUDGE

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1 P R O C E E D I N G S

12:44:07 2 (Jury out.)

12:44:07 3 COURT SECURITY OFFICER: All rise.

12:44:08 4 THE COURT: Be seated, please.

12:44:08 5 Mr. Hecht, would you return to the witness stand?

12:44:16 6 MR. SHEASBY: There are two issues with Mr. Hecht,
12:44:19 7 and we ask for him to be sequestered until the issues can
12:44:25 8 be resolved, Your Honor.

12:44:30 9 THE COURT: All right. Let's take them up now.

12:44:30 10 What do we have?

12:44:30 11 MR. SHEASBY: The first issue is that while
12:44:32 12 Mr. Hecht was still on the stand at the lunch break, he was
12:44:34 13 looking at notes and printed materials in preparation for
12:44:37 14 his cross-examination. Mr. Brady also had notes. Counsel
12:44:42 15 required me to give those notes to him, which I did.

12:44:46 16 The notes that Mr. Hecht was looking at during the
12:44:49 17 examination are either privileged, in which case he
12:44:53 18 shouldn't be looking at them, or they're not privileged, in
12:44:56 19 which case we should have every right to look at them. And
12:45:00 20 I had asked counsel for the courtesy of being able to
12:45:03 21 examine them and counsel declined that courtesy.

12:45:07 22 THE COURT: All right. What's Defendant's take on
12:45:08 23 this?

12:45:09 24 MR. HILL: Your Honor, our take is the unknown to
12:45:13 25 some extent. We weren't in the room when Mr. Hecht was

12:45:15 1 sitting here at the table by himself. Mr. Sheasby was in
12:45:19 2 the room, and says he observed that Mr. Hecht was looking
12:45:22 3 at notes here on the table. They're still there. I don't
12:45:26 4 know what's in the man's notes. I'm hesitant to touch any
12:45:29 5 of it, frankly.

12:45:30 6 THE COURT: Do we know if these are notes that he
12:45:32 7 made or somebody else's notes?

12:45:33 8 MR. HILL: There's a notepad of his handwritten
12:45:36 9 notes here, and there's a folder behind it of some
12:45:40 10 documents. A witness looking at his own notes and
12:45:43 11 materials before cross-examination has been -- has begun is
12:45:47 12 materially different than a witness testifying on the
12:45:49 13 witness stand with notes in front of him, both during
12:45:54 14 direct and during cross-examination. That's not what's
12:45:56 15 gone on. There's no parity in that.

12:45:59 16 Frankly, Your Honor, I've never encountered that
12:46:01 17 as a lawyer, that somebody had notes on a witness stand.
12:46:04 18 That's unheard of. And that's why I asked about it like I
12:46:07 19 did, and I wanted to look at them. I didn't know what else
12:46:10 20 to do. I think this is a materially different situation.

12:46:11 21 And, frankly, if we want to know what Mr. Hecht
12:46:14 22 was doing or what he was looking at, we ought to bring him
12:46:17 23 in here and ask him. We haven't done that. We weren't
12:46:19 24 present in the room. And so we really kind of can't tell
12:46:23 25 you any more than those are the facts.

12:46:26 1 THE COURT: Where is Mr. Hecht now?

12:46:29 2 MR. HILL: He's out in the hallway.

12:46:30 3 THE COURT: All right. Bring him in, please.

12:46:42 4 Mr. Hecht, let me ask you to go to the microphone
12:46:46 5 at the podium, please.

12:46:47 6 THE WITNESS: Yes, sir.

12:46:47 7 THE COURT: Mr. Hill, have a seat.

12:46:50 8 It's been suggested to the Court that during the
12:46:52 9 lunch break, you were at the counsel table for the
12:46:54 10 Defendant where you've been throughout the trial as the
12:46:57 11 Defendant's corporate representative, but that you were
12:47:00 12 looking at or reviewing certain notes.

12:47:04 13 Were you reviewing any documents over the lunch
12:47:07 14 break? Were they your notes? Were they somebody else's
12:47:10 15 notes? Were they something else? Tell me -- tell me what
12:47:14 16 are the facts with regard to your conduct over the lunch
12:47:19 17 hour at the counsel table.

12:47:22 18 THE WITNESS: Yes, I pulled out my legal pad and
12:47:25 19 looked at the notes that I had on the last page.

12:47:31 20 THE COURT: And these are notes that you made?

12:47:34 21 THE WITNESS: Yes, they are.

12:47:35 22 THE COURT: And when did you make them?

12:47:36 23 THE WITNESS: I made them this morning.

12:47:39 24 THE COURT: Okay. Before you testified?

12:47:42 25 THE WITNESS: Before I testified.

12:47:43 1 THE COURT: Okay. And was that part of being
12:47:47 2 prepared to be cross-examined, or why were you looking at
12:47:49 3 notes from this morning?

12:47:50 4 THE WITNESS: It was just in general to remind
12:47:52 5 myself of some general things that I wanted to think about
12:47:59 6 when I was up testifying.

12:48:03 7 THE COURT: All right. And these are notes that
12:48:04 8 you made yourself, they were not -- they were not made with
12:48:07 9 the participation of your counsel in the case; is that
12:48:13 10 right?

12:48:14 11 THE WITNESS: That's right.

12:48:16 12 THE COURT: Were you -- did you make your -- you
12:48:17 13 made these notes by yourself?

12:48:19 14 THE WITNESS: Yes, sir.

12:48:21 15 THE COURT: Okay.

12:48:22 16 All right. I don't find there's anything improper
12:48:24 17 with that. In the Court's view, it's a non-issue.

12:48:29 18 I indicated, as Mr. Melsheimer raised the question
12:48:34 19 right when we broke for lunch, that the witness should not
12:48:36 20 be prepped over the lunch break for cross-examination, and
12:48:39 21 I find no indication that that's happened.

12:48:42 22 Do you have anything else --

12:48:44 23 Thank you, Mr. Hecht.

12:48:45 24 Do you have anything else, Mr. Sheasby?

12:48:47 25 MR. SHEASBY: Yeah, the second issue -- yes,

12:48:53 1 Your Honor, the second issue was that Mr. Hecht said on the
12:48:54 2 stand that -- unfortunately, I'd like Mr. Hecht to leave
12:48:57 3 for this, as well, because it relates to a door-opening
12:49:01 4 issue, Your Honor. I can approach the bench as well.

12:49:03 5 THE COURT: All right. Please step outside,
12:49:04 6 Mr. Hecht.

12:49:05 7 We are wasting time, and I'm going to charge this
12:49:09 8 time to somebody's trial time.

12:49:11 9 MR. SHEASBY: I understand.

12:49:12 10 THE COURT: Go ahead, Mr. Sheasby.

12:49:13 11 MR. SHEASBY: Mr. Hecht indicated that Wells Fargo
12:49:17 12 respects USAA's intellectual property. He made it in a
12:49:21 13 general statement. We believe that that is -- we'd like
12:49:24 14 guidance as to whether that's opened the door that they've
12:49:28 15 been previously adjudged an infringer of a valid United
12:49:33 16 States -- USAA patent.

12:49:34 17 It was a -- it was a bold statement just as saying
12:49:35 18 we respect intellectual property. It was trying to paint
12:49:37 19 the -- the company in a good light. He went on to say they
12:49:40 20 need to respect us and respect our contributions. It was
12:49:43 21 not a passing statement. It was the central aspect of his
12:49:46 22 testimony, and I do believe it's opened the door.

12:49:49 23 THE COURT: All right. Mr. Melsheimer, do you
12:49:51 24 have a response?

12:49:51 25 MR. MELSHEIMER: Yeah, Your Honor, I don't -- it

12:49:53 1 was a passing statement. It was consistent with what we
12:49:55 2 said in the opening statement about respect. He didn't say
12:49:58 3 anything about any particular patents or any particular
12:50:00 4 issue. He didn't say, we've never been found not to
12:50:04 5 respect. He just says, we respect it, we respect theirs,
12:50:07 6 we respect them to respect ours. It was just a -- it's
12:50:11 7 certainly no opening the door and certainly not opening the
12:50:14 8 door to previous -- previous case.

12:50:18 9 MR. SHEASBY: The exact testimony is: We respect
12:50:20 10 USAA's intellectual property. And they want us to respect
12:50:23 11 their contributions. It seems that that has clearly joined
12:50:28 12 this issue, Your Honor.

12:50:28 13 You can't say -- you can't -- at some level, you
12:50:33 14 cannot suspend disbelief about what's happened in the past.
12:50:36 15 And for him to make that representation as the corporate
12:50:38 16 representative after what occurred two months ago, it was
12:50:41 17 reckless.

12:50:42 18 MR. MELSHEIMER: Your Honor, I'd just add we had
12:50:44 19 good faith defenses in that case. It's not final. There's
12:50:47 20 still motions to be heard, motions to be adjudicated,
12:50:51 21 appeals to be heard. It was no different than him saying
12:50:54 22 in the opening that we -- we looked at what they were doing
12:50:57 23 and copied it. We talked about respect in our opening
12:51:02 24 statement. It is in no sense intended to open the door and
12:51:05 25 should not be deemed to open the door to anything else.

12:51:13 1 THE COURT: Well, on the one hand, I agree with
12:51:19 2 Mr. Sheasby that it was more than a passing statement. It
12:51:23 3 was the final emphasis of the direct testimony, and it
12:51:27 4 probably does open the door to that issue.

12:51:30 5 On the other hand, I agree with Mr. Melsheimer
12:51:33 6 that to tell this jury two months ago this Defendant was
12:51:39 7 the subject of a \$200 million verdict against it for patent
12:51:43 8 infringement would be highly prejudicial and would probably
12:51:49 9 be a disproportionate response to the door being opened.
12:51:53 10 I'm amenable to something as an alternative.

12:51:57 11 MR. SHEASBY: Yes, Your Honor, we would never
12:51:59 12 bring up the verdict. Our request is that we be allowed to
12:52:03 13 establish with Mr. Hecht that Wells Fargo has previously
12:52:05 14 been found to infringe a valid United States patent,
12:52:08 15 without any reference of the date in which it occurred or
12:52:11 16 the amount.

12:52:13 17 THE COURT: I assume that this lawsuit and the
12:52:15 18 lawsuit that was reduced to verdict in this court two
12:52:19 19 months ago are not the only times in the history of Wells
12:52:24 20 Fargo Bank that it's been sued for patent infringement.

12:52:26 21 MR. SHEASBY: I -- I -- I'm assuming that's
12:52:28 22 correct, Your Honor.

12:52:29 23 THE COURT: Do you have any knowledge of that,
12:52:30 24 Mr. Melsheimer?

12:52:31 25 MR. MELSHEIMER: Your Honor, I'm sure -- I'm sure

12:52:33 1 there's been other lawsuits. I don't know if there's been
12:52:35 2 any other judgments. We would object to any other
12:52:39 3 reference to this issue. It's highly prejudicial. The
12:52:42 4 circumstances, what the case was, what it involved, this --
12:52:47 5 this will be completely disproportionate to --

12:52:51 6 THE COURT: Here's --

12:52:52 7 MR. MELSHEIMER: Yes, Your Honor.

12:52:52 8 THE COURT: Here's what I'm going to do,
12:52:54 9 Mr. Sheasby -- well, it's going to be Ms. Glasser, I
12:52:57 10 assume, who is cross-examining this witness.

12:52:58 11 Ms. Glasser, after I remind you to speak up, and
12:53:02 12 I'm reminding you to speak up, I'll allow you to ask the
12:53:11 13 witness on cross-examination that in response to his
12:53:16 14 statement that Wells Fargo respects intellectual property
12:53:22 15 rights, I'll allow you to ask him that this is not the only
12:53:25 16 time that Wells Fargo has been sued for patent
12:53:28 17 infringement. You can ask him that question. If that's
12:53:30 18 the case, then is this the first and only time Wells Fargo
12:53:33 19 has ever been sued for patent infringement?

12:53:35 20 And he'll either say I don't know, or he'll say,
12:53:39 21 no, it's not. I don't think he's going to say, yes, it is.
12:53:41 22 But that's the extent of what you can go into. You can't
12:53:45 23 go any further than that.

12:53:47 24 MS. GLASSER: Thank you, Your Honor.

12:53:48 25 THE COURT: All right.

12:53:48 1 MR. MELSHEIMER: And we object to that, Your
12:53:50 2 Honor.

12:53:50 3 THE COURT: I know you do, Mr. Melsheimer, but you
12:53:53 4 pushed the envelope in your direct, and it was more than a
12:53:56 5 passing statement. And it was emphatic and it was
12:53:59 6 repeated. And the Court's -- the Court's not going to give
12:54:05 7 you that latitude on one side of the case and restrain the
12:54:08 8 other party from having the same latitude. I think I've
12:54:10 9 given a restrained and a proportionate amount of latitude
12:54:17 10 to Plaintiff's counsel. You can certainly object, but your
12:54:21 11 objection is overruled.

12:54:22 12 MR. MELSHEIMER: Thank you, Your Honor.

12:54:22 13 THE COURT: Do we have anything else before I
12:54:23 14 bring the jury back?

12:54:26 15 MR. SHEASBY: Nothing for Plaintiffs, Your Honor.

12:54:27 16 THE COURT: Well, let's get the Defendant's
12:54:29 17 corporate representative in the room and at the table.
12:54:31 18 Actually, let's get him on the witness stand.

12:54:36 19 MR. MELSHEIMER: Your Honor, can I just raise one
12:54:38 20 more question outside of Mr. Hecht's presence? So he's
12:54:42 21 been instructed on limines about the earlier case, and I'm
12:54:47 22 a little concerned that -- can I --

12:54:50 23 THE COURT: You don't need to tell him anything.
12:54:51 24 If he doesn't -- if he's not sure he can answer the
12:54:55 25 question, I'll tell him he can answer the question.

12:54:58 1 MS. GLASSER: Your Honor, I think we have a
12:54:59 2 potential solution to it, if Your Honor is amenable, which
12:55:02 3 is, if Mr. Melsheimer is concerned about that issue, when
12:55:06 4 the jury comes back in, it could be instructed that the
12:55:10 5 witness responded that Wells Fargo respects USAA's patent
12:55:16 6 rights and that that question and answer are stricken and
12:55:18 7 should be disregarded.

12:55:26 8 THE COURT: You're offering that as an alternative
12:55:29 9 to the door opening?

12:55:30 10 MS. GLASSER: Alternative to the particular
12:55:32 11 question Your Honor proposed, correct.

12:55:36 12 THE COURT: Well, we have a suggested alternative,
12:55:40 13 Mr. Melsheimer. Do you have a comment about that?

12:55:42 14 MR. MELSHEIMER: We'd agree to that, Your Honor.

12:55:44 15 THE COURT: All right. So without objection, I'll
12:55:47 16 instruct the jury to disregard that statement.

12:55:49 17 MR. HILL: Your Honor, may I ask one thing about
12:55:50 18 that, just to make sure this doesn't grow? We would assume
12:55:55 19 that that would be the lone reference to it in the record;
12:55:57 20 that they wouldn't be able to argue in closing, the Court
12:56:00 21 instructed you, in ruling on an objection, to disregard
12:56:03 22 this, and elevate this yet again? That's usually
12:56:06 23 inappropriate for a Court ruling striking the matter from
12:56:10 24 the record, and we would question whether that's --

12:56:12 25 THE COURT: My intention is to tell the jury that

12:56:14 1 the parties that -- that Mr. Hecht was asked this question,
12:56:19 2 that his answer was, yes, Wells Fargo respects intellectual
12:56:22 3 property rights of others, including USAA, and that that
12:56:27 4 question and that answer should be struck, and they should
12:56:30 5 disregard it; period.

12:56:32 6 MR. HILL: And -- my question is, Your Honor, will
12:56:34 7 the Plaintiff be allowed to comment on that instruction
12:56:37 8 later in the case?

12:56:38 9 THE COURT: As a part of closing argument?

12:56:40 10 MR. HILL: Yes, Your Honor. Typically, an
12:56:43 11 instruction to disregard testimony is not something you can
12:56:45 12 comment on to a jury. It'd be like commenting on an
12:56:50 13 objection.

12:56:51 14 THE COURT: I assume you don't have any intention
12:56:53 15 of making that part of your closing argument, Mr. Sheasby?

12:56:55 16 MR. SHEASBY: I should not be quoting Your Honor's
12:56:58 17 instructions to the jury that way in closing. Of course,
12:57:01 18 if they did in closing say they respect USAA's intellectual
12:57:05 19 property --

12:57:06 20 THE COURT: Well, if they go -- after all this, if
12:57:07 21 they go back down that road, then the door will be off the
12:57:11 22 hinges.

12:57:11 23 MR. SHEASBY: Thank you, Your Honor.

12:57:11 24 THE COURT: Okay. Let's all have a seat. Let's
12:57:14 25 get Mr. Hecht in the room, Mr. Hill.

12:57:16 1 MR. MELSHEIMER: Your Honor, I just -- we can talk
12:57:19 2 about this later, but obviously, we -- we -- we've argued
12:57:21 3 about respect for property rights throughout the case.
12:57:24 4 You're not suggesting that we can't talk about respect in
12:57:27 5 the closing without opening the door?

12:57:28 6 THE COURT: We'll talk about the parameters for
12:57:30 7 your closing arguments as part of the charge conference if
12:57:33 8 it's still necessary.

12:57:34 9 MR. MELSHEIMER: Thank you, Your Honor.

12:57:34 10 THE COURT: Let's get Mr. Hecht on the witness
12:57:36 11 stand.

12:57:37 12 I'll charge this time equally to Plaintiff and
12:57:40 13 Defendant.

12:57:41 14 If you'll have a seat on the witness stand,
12:57:43 15 Mr. Hecht.

12:57:44 16 THE WITNESS: Yes, sir.

12:57:45 17 THE COURT: I remind you, sir, you remain under
12:57:47 18 oath.

12:57:48 19 Ms. Glasser, you may go to the podium.

12:57:51 20 Are there any binders to be passed out as part of
12:57:55 21 cross-examination that haven't already been distributed?

12:57:57 22 MR. SHEASBY: No, Your Honor.

12:57:58 23 THE COURT: Then let's bring in the jury, please,
12:58:01 24 Mr. Johnston.

12:58:13 25 COURT SECURITY OFFICER: All rise.

12:58:14 1 (Jury in.)

12:58:28 2 THE COURT: Welcome back from lunch, ladies and
12:58:30 3 gentleman. Please have a seat.

12:58:31 4 You recall we broke for lunch with the Defendant
12:58:33 5 having passed the witness after having a direct examination
12:58:38 6 of Mr. Hecht. We'll now proceed with the Plaintiff's
12:58:41 7 cross-examination of Mr. Hecht.

12:58:44 8 Before we do that, members of the jury, at the end
12:58:50 9 of the direct examination of Mr. Hecht, he was asked, in
12:58:55 10 effect, does Wells Fargo respect the intellectual property
12:58:58 11 rights of others, including USAA?

12:59:01 12 And he answered, yes, to that question.

12:59:04 13 I'm instructing you to disregard that question and
12:59:07 14 to disregard his answer and to not let it be a part of your
12:59:11 15 deliberations or your considerations in this case.

12:59:13 16 Now, with that, we'll proceed with
12:59:16 17 cross-examination.

12:59:18 18 MS. GLASSER: Thank you. May it please the Court.

12:59:21 19 And good afternoon, ladies and gentlemen.

12:59:21 20 AL HECHT, DEFENDANT'S WITNESS, PREVIOUSLY SWORN

12:59:21 21 CROSS-EXAMINATION

12:59:23 22 BY MS. GLASSER:

12:59:23 23 Q. Mr. Hecht, you were selected by Wells Fargo Bank to be
12:59:28 24 what they call a "face of the company" witness; is that
12:59:30 25 correct?

12:59:30 1 A. Corporate representative is my understanding, yes.

12:59:35 2 Q. And the idea of that is that whether or not you have
12:59:36 3 any personal knowledge of the matters to which you testify,
12:59:39 4 you are sitting here on behalf of the company as a whole,
12:59:42 5 correct?

12:59:42 6 A. That's correct.

12:59:44 7 Q. And this case is about Wells Fargo's consumer remote
12:59:49 8 mobile deposit product, the one that it launched in 2012,
12:59:53 9 correct?

12:59:53 10 A. Yes, that's my understanding.

12:59:56 11 Q. You didn't talk very much about that product during
01:00:00 12 your testimony. And when you did, you didn't show any
01:00:04 13 documents that had your own name on them, correct?

01:00:07 14 A. I don't agree with the full question that you just
01:00:12 15 asked there. Can you break it apart for me?

01:00:15 16 Q. Sure. Those documents that you showed the jury, the
01:00:18 17 few of them that actually referenced the product that's at
01:00:21 18 issue in this case, not a single one of those documents had
01:00:25 19 your own name on it anywhere, correct?

01:00:30 20 A. Again, I'm not sure which documents you're referring
01:00:34 21 to. Can you be specific?

01:00:36 22 Q. Yes, sir. I'm referring you to the documents that your
01:00:38 23 counsel showed you during your direct examination. Are you
01:00:41 24 with me so far?

01:00:42 25 A. Yes.

01:00:43 1 Q. The few of those documents that referred to the product
01:00:46 2 at issue in this case, did anyone -- any of them have your
01:00:50 3 own name on them, yes or no?

01:00:52 4 A. No.

01:00:56 5 Q. And is it fair to say that you were not directly
01:01:01 6 involved in the front end design, development, or approval
01:01:06 7 of the accused Wells Fargo Mobile Deposit product?

01:01:09 8 A. No, that is not true.

01:01:11 9 Q. Is it fair to say, sir, that your direct involvement is
01:01:16 10 on the back end, and that your only role with respect to
01:01:21 11 Mobile Deposit was as a consultant?

01:01:22 12 A. No, that's not correct.

01:01:24 13 Q. Would you turn in your witness binder to your
01:01:28 14 deposition transcript? I'd like to direct you to Page 53,
01:01:41 15 Lines 10 through 17. And, actually, you can start at
01:02:05 16 Line 6, sir.

01:02:06 17 A. Sorry, can you state the lines again? I'm there now.

01:02:09 18 Q. Page 53, Lines 6 through 17.

01:02:28 19 A. Okay. I'm there.

01:02:30 20 Q. And does this refresh your recollection that you
01:02:32 21 testified differently under oath at your deposition?

01:02:34 22 A. I'm sorry, I'm not seeing what you're referencing,
01:02:55 23 ma'am.

01:02:55 24 THE COURT: Give him the page and line number
01:02:57 25 again.

01:02:59 1 Q. (By Ms. Glasser) Page 53, Line 6 through 17, sir.

01:03:03 2 A. Okay.

01:03:03 3 Q. You know, you may be looking at the wrong transcript.

01:03:06 4 This is the September 13th.

01:03:13 5 A. I'm looking at -- it says, Case 2 -- at Depo Case 2.

01:03:18 6 Should I be in Case 1?

01:03:18 7 THE COURT: Counsel, if you have it, why don't you
01:03:20 8 approach and give him that section of the transcript.

01:03:23 9 MS. GLASSER: Absolutely, Your Honor.

01:03:25 10 THE COURT: That way we'll have no question that
01:03:28 11 he's looking at what you're looking at.

01:03:52 12 Let Ms. Glasser know when you've read that
01:03:55 13 section.

01:03:56 14 THE WITNESS: Yes, I've read it.

01:03:57 15 Q. (By Ms. Glasser) Does that reflect your recollection
01:03:59 16 that you previously testified that your only knowledge
01:04:01 17 relative to the front end was consulting, as compared to
01:04:04 18 the back end where you had direct involvement?

01:04:07 19 A. Yes, but my answer is still the same.

01:04:09 20 Q. Sir?

01:04:10 21 A. I'm sorry.

01:04:10 22 Q. Does that refresh your recollection that you testified
01:04:14 23 differently under oath?

01:04:16 24 A. I can see the words here, yes.

01:04:17 25 Q. Now, as the corporate representative, you've been

01:04:23 1 involved in some of the litigation activities; is that
01:04:26 2 correct?

01:04:26 3 A. Yes.

01:04:27 4 Q. And are you aware that during the litigation, USAA made
01:04:31 5 a request -- a formal request through the Court procedures
01:04:34 6 for Wells Fargo to identify the persons involved in the
01:04:37 7 design, development, and approval of Wells Fargo Mobile
01:04:43 8 Deposit?

01:04:43 9 A. No, I'm not aware of the details of that.

01:04:46 10 Q. Are you aware that Wells Fargo identified Mr. Armin
01:04:53 11 Ajami, who we saw on the video earlier today, as its
01:04:56 12 corporate representative on that particular issue?

01:04:57 13 A. Yes, I saw that in the testimony.

01:05:02 14 MS. GLASSER: And could we go ahead and put up
01:05:04 15 PX-13, please?

01:05:05 16 THE COURT: And, Ms. Glasser, if you could slow
01:05:07 17 down a little bit, that'd be helpful.

01:05:10 18 MS. GLASSER: Absolutely. Thank you.

01:05:13 19 Q. (By Ms. Glasser) And if we could turn here to the
01:05:15 20 bottom of the second page and the top of the third page.
01:05:23 21 And this document here, sir, you have in your binder or you
01:05:26 22 can see on the screen.

01:05:27 23 The top of the page says: Mobile remote deposit
01:05:27 24 capture pilot.

01:05:33 25 Do you see that?

01:05:34 1 A. Yes, ma'am, I see that.

01:05:36 2 Q. And this is a document that Mr. Armin Ajami brought
01:05:39 3 with him to the deposition when he was asked to identify
01:05:45 4 for us through the Court procedures who were the actual
01:05:45 5 people at Wells Fargo who were involved in the design and
01:05:47 6 development and approval of the product at issue in this
01:05:50 7 lawsuit. Do you understand that?

01:05:51 8 A. Yes, ma'am.

01:05:54 9 Q. And if you look at this document that Mr. Armin Ajami
01:05:58 10 brought on behalf of Wells Fargo to tell us who were the
01:06:00 11 people relevant to the product in this case, there are
01:06:03 12 quite a number of Wells Fargo employees listed; is that
01:06:07 13 fair?

01:06:07 14 A. Yes.

01:06:08 15 Q. And none of those people are you, we can agree?

01:06:11 16 A. Yes.

01:06:12 17 Q. And, in fact, none of those people will be coming here
01:06:15 18 into the court to testify; is that correct?

01:06:17 19 A. Yes.

01:06:28 20 Q. Now, we can agree that Wells Fargo views USAA as a
01:06:32 21 competitor, correct?

01:06:33 22 A. Yes.

01:06:36 23 Q. In fact, when Wells Fargo made the decision to adopt
01:06:40 24 the mobile deposit system that is at issue in this case,
01:06:44 25 Wells Fargo focused specifically on USAA's mobile remote

01:06:52 1 deposit technology solution, correct?

01:06:54 2 A. No, I would not agree with that.

01:06:56 3 MS. GLASSER: Let's go ahead and pull up PX-23 at
01:06:59 4 Page 7.

01:07:00 5 Q. (By Ms. Glasser) Did you speak with Mr. Ajami in
01:07:06 6 preparation for your testimony today, sir?

01:07:09 7 A. No, I did not.

01:07:09 8 Q. Did you speak with any of the folks who were listed on
01:07:12 9 that document we just looked at in preparation to testify?

01:07:15 10 A. No, I did not.

01:07:16 11 Q. Now, if we look at Page 7 of PX-23, you see here in
01:07:24 12 this 2010 document that Wells Fargo was listing its market
01:07:29 13 considerations, and, in particular, focusing on USAA,
01:07:34 14 correct?

01:07:34 15 A. I would not agree with that characterization.

01:07:38 16 Q. Do you see the words on the top of the page, "market
01:07:42 17 considerations"?

01:07:42 18 A. Yes, I see those words.

01:07:46 19 Q. And then you see that one of a small number of bullet
01:07:49 20 points of the market considerations is the fact that USAA
01:07:52 21 had had over 125,000 iPhone application downloads at that
01:07:58 22 point in time?

01:07:59 23 A. Yes, I see those words on the page.

01:08:07 24 MS. GLASSER: Now, could we put up PX-427 at
01:08:11 25 Page 3?

01:08:14 1 Q. (By Ms. Glasser) And while we're putting that up, sir,
01:08:16 2 would you agree with me that when Wells Fargo was
01:08:21 3 evaluating -- valuing the commercial value of Mobile
01:08:24 4 Deposit, when it was deciding whether to introduce this
01:08:27 5 technology, one of the things it was focused on was how
01:08:30 6 much profit it would bring to the bank?

01:08:34 7 A. No, I wouldn't agree with that characterization.

01:08:37 8 Q. Do you know one way or the other whether folks at Wells
01:08:40 9 Fargo were hoping that this Mobile Deposit program would be
01:08:45 10 profitable?

01:08:46 11 A. Can you rephrase the question, please?

01:08:50 12 Q. Did you speak with anyone in preparation for your
01:08:52 13 testimony who was actually involved with the launch, to
01:08:55 14 determine whether they were hoping that Mobile Deposit
01:09:00 15 would be profitable for Wells Fargo?

01:09:01 16 A. No, I did not.

01:09:02 17 Q. Now, if we look at this document here, this is an
01:09:08 18 actual Wells Fargo document, correct?

01:09:12 19 A. Yes, it is.

01:09:15 20 Q. And if we call out on the upper left-hand side of the
01:09:19 21 screen, what Wells Fargo was doing here is Wells Fargo was
01:09:24 22 specifically walking through, before Wells Fargo had a
01:09:30 23 mobile remote deposit product, some facts about USAA's
01:09:33 24 technology and its success, correct?

01:09:36 25 A. I'm sorry, ma'am, I don't know what the date of this

01:09:38 1 is. Can you show me that?

01:09:40 2 Q. Sure. The document is actually in your binder there.
01:09:43 3 They're in numerical order, and this is Exhibit PX-427.

01:09:50 4 A. One second.

01:09:51 5 Q. And the front page of the document is August 9th, 2010,
01:10:04 6 so right around this time that Wells Fargo was deciding
01:10:07 7 about whether it wanted to launch this type of technology,
01:10:15 8 correct?

01:10:15 9 A. Yes, I think that's correct.

01:10:15 10 Q. And at this point in time, we're about over a year,
01:10:15 11 actually, after USAA had its groundbreaking launch of
01:10:21 12 mobile remote deposit, correct?

01:10:22 13 A. I'm not sure about the dates on that.

01:10:24 14 Q. Do you know one way or the other?

01:10:26 15 A. No, I do not.

01:10:28 16 Q. Do you have any idea what date USAA came to market,
01:10:31 17 from your own personal knowledge?

01:10:32 18 A. Only what I've heard here in trial.

01:10:34 19 Q. And so the folks who work --

01:10:39 20 MS. GLASSER: Can we put the document back up on
01:10:41 21 the screen, Mr. Huynh?

01:10:43 22 Q. (By Ms. Glasser) The folks at Wells Fargo who were
01:10:45 23 actually involved in the mobile project in 2010, what they
01:10:48 24 were focused on was USAA's technology and the value that it
01:10:53 25 would bring to the bank, correct?

01:10:57 1 A. No, I wouldn't agree with that.

01:10:59 2 Q. Do you see the words on the page "value to bank"?

01:11:01 3 A. Yes, I see those words.

01:11:03 4 Q. And do you believe that that relates to anything other
01:11:06 5 than the mobile remote deposit technology?

01:11:09 6 A. It looks like it relates to mobile deposit technology.

01:11:16 7 Q. And this part of the page is solely and entirely
01:11:19 8 focused on USAA, correct?

01:11:21 9 A. No, I would disagree with that.

01:11:23 10 Q. Do you see anything on that page at all that is related
01:11:26 11 to a company other than USAA?

01:11:28 12 A. Wells Fargo.

01:11:34 13 Q. I'm focusing you on the part that's up on your screen
01:11:38 14 here that is describing the USAA product. Do you see that,
01:11:41 15 sir?

01:11:41 16 A. Yes, I do see that.

01:11:42 17 Q. And, here, when they're talking about the USAA product,
01:11:45 18 what the Wells Fargo folks are saying in the year 2010 is
01:11:49 19 they're saying that there would be at least these four
01:11:52 20 categories of value that this technology would bring to the
01:11:55 21 bank, correct?

01:11:56 22 A. Yes, I see all four of those.

01:12:03 23 Q. And those four factors are cost savings, correct?

01:12:05 24 A. Yes, that's what it says.

01:12:06 25 Q. Deposit consolidation, correct?

01:12:09 1 A. Yes.

01:12:10 2 Q. And in addition to cost savings, deposit consolidation,
01:12:16 3 Wells Fargo also viewed the USAA technology as being an
01:12:20 4 acquisition tool and bringing wow/innovation, correct?

01:12:24 5 A. I don't agree with that characterization.

01:12:26 6 Q. Do you agree that those words are on the page, sir?

01:12:29 7 A. I agree that those words are on the page.

01:12:32 8 Q. Now, you've come to appreciate, sir, that USAA owns the
01:12:39 9 two patents at issue in this case, correct?

01:12:41 10 A. Yes.

01:12:44 11 Q. And patents are part of the category known as
01:12:47 12 intellectual property, correct?

01:12:49 13 A. Yes, they are.

01:12:50 14 Q. Is it fair to say that you are not sure how to answer
01:12:56 15 the question of whether it's appropriate to use
01:13:00 16 intellectual property of others without compensation?

01:13:04 17 A. I'm sorry, can you restate?

01:13:07 18 Q. Is it fair to say that you don't know how to answer the
01:13:09 19 question of whether it's appropriate to use intellectual
01:13:12 20 property of others without compensation?

01:13:15 21 A. It's never appropriate to use others' property unless
01:13:21 22 you're approved.

01:13:22 23 Q. I'd like you to take a look in your binder at the July
01:13:26 24 19th deposition transcript at Page 13.

01:13:30 25 A. Okay. What's the number again?

01:13:31 1 Q. It's the July 19th deposition transcript at Page 13.

01:13:45 2 A. It's labeled first or second. Can you tell me which

01:13:48 3 one it is, whether it's first or --

01:13:50 4 Q. It's the first.

01:13:50 5 A. Thank you.

01:13:53 6 Q. The other is September.

01:13:54 7 A. Page 6?

01:13:55 8 Q. Page 13 at Lines 2 through 10.

01:14:00 9 A. Got it.

01:14:01 10 Q. And does that refresh your recollection that at least

01:14:08 11 as of July of last year, you were not sure how to answer

01:14:11 12 the question of whether it's appropriate to use

01:14:15 13 intellectual properties of others without compensation?

01:14:18 14 A. Yes, I see that on here.

01:14:21 15 MR. MELSHEIMER: Your Honor, optional

01:14:23 16 completeness. I don't know if it's -- if this -- if she's

01:14:26 17 trying to say there's a different answer or not, but

01:14:28 18 there's -- if it is, I'd like to offer optional

01:14:31 19 completeness.

01:14:32 20 MS. GLASSER: I was ready to move to the next

01:14:34 21 question.

01:14:35 22 MR. MELSHEIMER: Thank you.

01:14:35 23 THE COURT: Address it in your redirect.

01:14:37 24 Q. (By Ms. Glasser) Now, sir, you heard Mr. Brady from

01:14:39 25 USAA testify to a monumental research effort, an investment

01:14:47 1 of a large amount of USAA member funds that produced the
01:14:51 2 patents at issue in this case. You recall that?

01:14:53 3 A. Yes, I do.

01:14:54 4 Q. And Wells Fargo understands that having invested its
01:15:01 5 members' funds into developing this ground-breaking
01:15:05 6 technology and having obtained its rights from the Patent
01:15:09 7 Office, that USAA is entitled to payment from Wells Fargo
01:15:13 8 if Wells Fargo is using it, correct?

01:15:16 9 A. Well, I disagree with your characterization.

01:15:19 10 Q. Do you agree, sir, that Wells Fargo needs to pay for
01:15:22 11 USAA's intellectual property if Wells Fargo is using it,
01:15:26 12 yes or no?

01:15:26 13 A. Can you restate?

01:15:31 14 Q. Sir, if Wells Fargo is using USAA's technology, should
01:15:36 15 Wells Fargo have to pay for it, yes or no?

01:15:38 16 A. If we were using their technology, yes.

01:15:42 17 Q. And, in fact, USAA approached Wells Fargo regarding
01:15:47 18 licensing of the USAA patents, correct?

01:15:51 19 A. I don't have any knowledge of that.

01:15:54 20 Q. I'll direct you in your binder to IX-102.

01:16:13 21 A. Okay. I'm there.

01:16:14 22 Q. And could you turn to Paragraph 109? Are you there,
01:16:23 23 sir?

01:16:24 24 A. Not yet. I'm sorry. Yes, I'm there.

01:16:34 25 Q. And does that refresh your recollection as a corporate

01:16:37 1 representative of Wells Fargo that Wells Fargo has actually
01:16:39 2 already admitted that USAA approached Wells Fargo regarding
01:16:42 3 licensing of the USAA Mobile Deposit patents?

01:16:48 4 A. Can you help me understand the context of this
01:16:52 5 document? I've never seen it before.

01:16:54 6 Q. Sure. This is -- you can look at the end of the
01:16:56 7 document. You'll see a signature there from the Wells
01:17:01 8 Fargo counsel over at the table there. Do you see that?

01:17:03 9 A. Yes, I do.

01:17:04 10 Q. And you understand it's a formal legal document that's
01:17:07 11 binding on Wells Fargo?

01:17:08 12 A. I didn't understand that until you said it, but, okay.

01:17:16 13 Q. All right. So even though -- you understand now,
01:17:17 14 looking at the document, that, in fact, USAA approached
01:17:19 15 Wells Fargo about licensing the patents, correct?

01:17:24 16 A. I'm just going to read it here quickly. Yes, I see
01:17:34 17 that on the page now.

01:17:35 18 Q. And in all of your dealings, supervising the
01:17:40 19 litigation, getting ready for this trial, no one ever told
01:17:43 20 you -- none of the Wells Fargo employees or counsel ever
01:17:44 21 told you about that fact?

01:17:45 22 A. I've never seen this document before.

01:17:47 23 Q. What about the fact, sir?

01:17:48 24 A. No.

01:17:49 25 Q. And, in fact, even though USAA approached Wells Fargo,

01:18:00 1 whether or not you heard about it, sir, you understood that
01:18:04 2 there was a federal court lawsuit in which Wells Fargo was
01:18:08 3 being accused of infringing these two patents, correct?

01:18:10 4 A. Yes, I'm aware of the lawsuit.

01:18:11 5 Q. And when you took on the task of becoming the corporate
01:18:14 6 representative for this case, you made a decision to not
01:18:20 7 look very carefully at the patents; is that fair?

01:18:24 8 A. No, it's not fair.

01:18:25 9 Q. You reviewed the patents that have been asserted
01:18:29 10 against Wells Fargo very briefly, correct?

01:18:34 11 A. That's not correct.

01:18:35 12 Q. Could you turn to the same deposition transcript we
01:18:38 13 were just looking at -- at Page 9?

01:18:55 14 A. Yes, I'm there.

01:18:56 15 Q. And does that refresh your recollection that when you
01:18:59 16 had your deposition taken under oath, you testified to the
01:19:02 17 exact opposite of what you just told me?

01:19:04 18 A. Could -- sorry, can you point me to the line number
01:19:07 19 that you're referencing?

01:19:09 20 Q. Yes, Page 9, Lines 23 through 25.

01:19:18 21 A. I'm in the wrong one.

01:19:24 22 Q. Do you have the other one in your binder, sir?

01:19:27 23 A. Yeah, I'm getting there.

01:19:37 24 Q. Now, to set the stage of this July deposition, that was
01:19:40 25 a deposition you gave after you had already been designated

01:19:43 1 as a formal corporate representative for Wells Fargo,
01:19:48 2 correct?

01:19:48 3 A. I'm -- I'm sorry, ma'am. I'm not sure, because I had
01:19:52 4 two depositions, which one you're referring to.

01:19:53 5 Q. You've been a corporate representative the whole time,
01:19:56 6 correct?

01:19:56 7 A. I know I was a corporate representative on this -- this
01:19:59 8 case, but I'm not sure I was --

01:20:01 9 Q. Yeah, these are both -- these are both cases -- these
01:20:03 10 are depositions taken by USAA counsel against Wells Fargo;
01:20:08 11 you understand that?

01:20:08 12 A. I do now.

01:20:09 13 Q. And in connection with the depositions that Mr. Sheasby
01:20:13 14 took of you under oath, you were testifying as a corporate
01:20:18 15 representative of Wells Fargo, true?

01:20:20 16 A. Yes.

01:20:24 17 Q. And have you located the passage yet, sir?

01:20:27 18 A. I have.

01:20:27 19 Q. Okay. Does that refresh your recollection that when
01:20:29 20 you previously testified under oath at your deposition, you
01:20:33 21 acknowledge that you had only reviewed the patents that are
01:20:37 22 asserted against Wells Fargo very briefly?

01:20:39 23 A. Yes, previously.

01:20:41 24 Q. Have you at this point in time ever read the
01:20:49 25 prosecution histories of the patents?

01:20:51 1 A. I've seen it in the trial.

01:20:56 2 Q. And at the time of your deposition, you didn't feel it
01:21:02 3 was important to do more than just kind of skim the
01:21:05 4 patents; is that fair?

01:21:07 5 A. I wouldn't characterize it that way, so, no.

01:21:09 6 Q. Why did you review them only briefly?

01:21:13 7 A. I reviewed them to prepare -- to prep for my
01:21:16 8 deposition.

01:21:17 9 Q. Now, at that deposition, you were actually formally
01:21:22 10 designated by Wells Fargo to provide, quote, all facts
01:21:27 11 relating to Wells Fargo's knowledge of any of the
01:21:32 12 patents-in-suit, end quote. Do you recall that?

01:21:34 13 MR. MELSHEIMER: Your Honor, may we approach just
01:21:35 14 briefly?

01:21:36 15 THE COURT: Approach the bench.

01:21:37 16 (Bench conference.)

01:21:46 17 MR. MELSHEIMER: Thank you, Your Honor. One of
01:21:49 18 the challenges I have here --

01:21:50 19 THE COURT: Both of y'all need to speak up a
01:21:52 20 little bit more.

01:21:53 21 MR. MELSHEIMER: Yeah. One of the challenges I
01:21:53 22 have is she's asking about a deposition in the first case,
01:21:56 23 and she's asking about patents in the first case.

01:21:59 24 MS. GLASSER: No, I'm not.

01:22:01 25 MR. MELSHEIMER: Well --

01:22:03 1 MS. GLASSER: These are just general questions,
01:22:05 2 right? And in the second --

01:22:06 3 MR. MELSHEIMER: But the problem is, Your Honor --
01:22:08 4 here's the problem. Only she knows the intent of what
01:22:10 5 she's asking, but the point is there are two cases, there
01:22:13 6 are two different sets of patents. So it's true that he
01:22:17 7 did not review the first case patents. He did review those
01:22:23 8 briefly.

01:22:24 9 She's not -- and I -- I'm somewhat hamstrung here
01:22:26 10 on what I can do with this, and I don't want to bring up
01:22:28 11 the other case or the other patents. He sort of said --

01:22:31 12 THE COURT: Well, first of all, we need to make
01:22:34 13 sure that both the counsel and the witness clearly have the
01:22:39 14 right depositions --

01:22:39 15 MS. GLASSER: Yeah.

01:22:41 16 THE COURT: -- and there's no question. I mean,
01:22:45 17 quite honestly, he's already made one reference to Case 2
01:22:48 18 that I'm sure everybody here had wished he had not made.

01:22:52 19 MR. MELSHEIMER: Here's the problem, Judge, with
01:22:54 20 that. The binder they've given him, that's Deposition
01:22:58 21 Case 1, Deposition Case 2. I've just now noticed that when
01:23:01 22 they handed it to me. So he's just using the nomenclature
01:23:05 23 that they given him.

01:23:07 24 And I'm not -- I'm not worried about that per se,
01:23:09 25 Your Honor. I just think it's -- it's very misleading for

01:23:12 1 us to -- for this jury that he hasn't read these patents
01:23:17 2 when that is not what this question --

01:23:18 3 MS. GLASSER: So this is about the second case --

01:23:18 4 THE COURT: Wait a minute. Wait a minute.

01:23:21 5 Wait -- wait a minute.

01:23:22 6 Now, we're going to talk one at a time up here,
01:23:24 7 and we're going to do it the way I say. Do you understand
01:23:26 8 that?

01:23:26 9 MS. GLASSER: Absolutely.

01:23:29 10 THE COURT: Everybody understand that?

01:23:30 11 MR. MELSHEIMER: I do, Your Honor.

01:23:31 12 THE COURT: All right. If you believe that the
01:23:34 13 questions she's posed relate to other patents than those
01:23:39 14 that are at issue in this case, then you can take that up
01:23:42 15 on redirect -- on redirect. You can refer him back to the
01:23:47 16 earlier passage from his deposition that she asked him
01:23:50 17 about. And if you can show that she tried to trick him by
01:23:54 18 asking if he'd read patents in another case, as opposed to
01:23:57 19 this case, you can do that.

01:23:58 20 MR. MELSHEIMER: Of course, Your Honor. The
01:24:00 21 problem with that is that it suggests that there was
01:24:02 22 another case. That seems to put me in a rather Hobson's
01:24:09 23 choice.

01:24:09 24 THE COURT: You can -- you can make it clear that
01:24:11 25 those are not the patents in this case. Maybe they were

01:24:14 1 patents --

01:24:14 2 MS. GLASSER: And to be clear, this second -- this
01:24:16 3 question I'm asking now, this is a topic he was designated
01:24:20 4 on in the second case.

01:24:21 5 THE COURT: But -- and I want to get this clear.
01:24:23 6 Ms. Glasser, when you impeach a witness, you have them
01:24:26 7 review their prior sworn testimony that you believe is
01:24:30 8 inconsistent with the answer they've given. And once
01:24:34 9 they've reviewed it, you ask them if they have the same
01:24:37 10 answer to the question, having reviewed that prior
01:24:41 11 deposition and refreshed their recollection. And if they
01:24:44 12 give you -- they say, yes, my answer has not changed, then
01:24:48 13 you can publish that section of the prior inconsistent
01:24:53 14 statement to the jury.

01:24:53 15 You're telling the jury what you think that prior
01:24:55 16 inconsistent statement is. You're telling the jury, well,
01:24:58 17 this doesn't refresh your recollection that such and such
01:25:01 18 time you said so and so.

01:25:03 19 MS. GLASSER: Understood.

01:25:03 20 THE COURT: You do not need to be characterizing
01:25:05 21 the deposition testimony if that's the prior inconsistent
01:25:07 22 basis.

01:25:08 23 You just need to publish it once he's had an
01:25:11 24 opportunity to refresh his recollection, and if he doesn't
01:25:13 25 change his answer.

01:25:14 1 MR. MELSHEIMER: Your Honor, I would just ask
01:25:16 2 there to be caution here because -- I'm not casting any
01:25:25 3 aspersions here, but Mr. Hecht was not the corporate
01:25:26 4 representative in the first case. This question in this
01:25:29 5 deposition that she tried to impeach him with is from the
01:25:33 6 first case.

01:25:33 7 She may say, well, that's not what I was asking
01:25:35 8 him, but the problem is she's creating the -- that it -- I
01:25:40 9 mean, I understand the Court's admonishment --

01:25:42 10 THE COURT: You can use a prior inconsistent
01:25:45 11 statement to impeach from any prior occurrence.

01:25:48 12 MR. MELSHEIMER: But it can't -- of course,
01:25:50 13 Your Honor, but it can't be confusing the patents between
01:25:53 14 two cases.

01:25:59 15 THE COURT: And I'm hearing you say that's what's
01:25:59 16 happened, and I'm hearing her say that's not what's
01:26:02 17 happened.

01:26:02 18 MR. MELSHEIMER: Respectfully, Your Honor, that's
01:26:05 19 not what she's saying. She's saying it was not her
01:26:07 20 question. I'm saying the deposition excerpts she pulled
01:26:10 21 out were from the first case.

01:26:11 22 MS. GLASSER: The pending question right now is
01:26:12 23 specifically about the second case, so the topic he was
01:26:15 24 designated on in the second case.

01:26:18 25 MR. MELSHEIMER: She ought to just -- these

01:26:20 1 patents -- the patents in this case, I think it's just
01:26:22 2 clearer that way.

01:26:23 3 MS. GLASSER: That's fine. I'm happy to do that.

01:26:26 4 THE COURT: If there's going to be references to
01:26:29 5 patents in either the cross or the redirect, both sides --
01:26:32 6 both of you all need to make abundantly clear that they are
01:26:37 7 these patents that are at issue in this case at this time.

01:26:42 8 MS. GLASSER: Understood.

01:26:43 9 MR. MELSHEIMER: And, of course -- thank you, Your
01:26:45 10 Honor. Thank you.

01:26:45 11 THE COURT: All right. Let's proceed.

01:26:46 12 (Bench conference concluded.)

01:26:52 13 THE COURT: Let's proceed.

01:26:54 14 Q. (By Ms. Glasser) All right, Mr. Hecht. Now, in this
01:27:00 15 case, you were designated by Wells Fargo to testify as to
01:27:05 16 all facts relating to Wells Fargo's knowledge of any of the
01:27:08 17 patents-in-suit; is that right?

01:27:09 18 A. Yes, I think that's right.

01:27:11 19 Q. And there have been -- you mentioned earlier that there
01:27:18 20 were quite a number of folks that have worked at Wells
01:27:22 21 Fargo over the years on its deposit systems; is that right?

01:27:25 22 A. Yes, ma'am.

01:27:25 23 Q. And we looked at a document earlier that showed roughly
01:27:29 24 20 people or so who Wells Fargo had identified to us, USAA,
01:27:34 25 in this case as having been involved. Do you recall that?

01:27:37 1 A. The last Wells Fargo document that we looked at; is
01:27:39 2 that what you're asking?

01:27:40 3 Q. The one that had the list of people who were involved
01:27:43 4 in developing and improving the product, yes.

01:27:46 5 A. Yes.

01:27:46 6 Q. And you didn't actually go and speak with any of those
01:27:51 7 people in order to determine what their knowledge was of
01:27:55 8 the patents at issue in this lawsuit, fair?

01:27:57 9 A. Can you break that apart for me?

01:28:00 10 Q. Did you talk with any of the people who were involved
01:28:03 11 in developing the Wells Fargo Mobile Deposit product, in
01:28:07 12 order to determine their level of knowledge of the patents
01:28:12 13 at issue in this lawsuit?

01:28:13 14 A. No.

01:28:14 15 Q. In fact, the only people that you spoke with when you
01:28:19 16 spoke as the voice of Wells Fargo on the extent of
01:28:23 17 knowledge of Wells Fargo on the patents, the only people
01:28:26 18 you spoke with were the Wells Fargo litigation team,
01:28:35 19 correct?

01:28:35 20 A. I think I -- that's not correct.

01:28:46 21 Q. Who else did you speak with, sir?

01:28:47 22 A. Margot Lockwood-Stein.

01:28:48 23 Q. And Margot Lockwood-Stein was someone who we heard from
01:28:52 24 earlier in the Court today; is that right? We watched her
01:28:55 25 video and then had her testimony read into the record?

01:28:57 1 A. Yes, that's correct.

01:28:58 2 Q. And Margot Lockwood-Stein was somebody who, similar to
01:29:03 3 you, had never performed an evaluation of whether Wells
01:29:08 4 Fargo is actually practicing the patents at issue in this
01:29:10 5 case, fair?

01:29:12 6 A. I don't have any knowledge of that.

01:29:15 7 Q. What Ms. Lockwood-Stein testified to, which we heard
01:29:21 8 earlier in the court, is that Wells Fargo makes a
01:29:25 9 substantial sum of money from using the accused mobile
01:29:31 10 remote deposit product, correct?

01:29:32 11 A. I don't recall her saying it that way.

01:29:34 12 Q. Do you recall the testimony where she indicated that
01:29:38 13 just based on cost savings on an annual basis, Wells Fargo
01:29:44 14 is making at least roughly 60 million to \$120 million per
01:29:49 15 year?

01:29:50 16 A. Yes, I remember that as part of the back-and-forth, but
01:29:59 17 I don't remember her saying that directly.

01:30:01 18 Q. Now, in terms of your own investigation here as the
01:30:12 19 corporate representative in this patent infringement
01:30:13 20 lawsuit, is it fair to say that you didn't do anything to
01:30:18 21 investigate whether Wells Fargo is actually using the
01:30:23 22 patents at issue in this lawsuit?

01:30:25 23 A. No, that is not fair.

01:30:26 24 Q. Please turn to your binder at your sworn deposition
01:30:30 25 testimony from September 3rd, 2019.

01:30:37 1 A. Yes, I'm there.

01:30:38 2 Q. Page 25, Lines 15 through 19. Does reviewing that
01:30:55 3 testimony refresh your recollection, sir?

01:31:03 4 A. I can see the words on the page, yes.

01:31:09 5 Q. And looking at the words on the page, I'm going to ask
01:31:15 6 you the question again. You personally didn't do anything
01:31:20 7 to investigate whether Wells Fargo is using the patents at
01:31:24 8 issue in this lawsuit, correct?

01:31:26 9 A. At this time, yes.

01:31:32 10 Q. You understand, sir, that the USAA patents do cover
01:31:36 11 mobile deposit, correct?

01:31:37 12 A. Yes, I understand that.

01:31:42 13 Q. Now, a lot of your testimony earlier today had to do
01:31:46 14 with issues about other systems. Do you recall that -- a
01:31:53 15 2004 Desktop Deposit system using a scanner, a specialized
01:31:57 16 scanner, and then you talked about some mobile banking on
01:32:00 17 the Internet? Do you recall that?

01:32:01 18 A. Yes, I do.

01:32:01 19 Q. And when you were talking about those old methods of
01:32:05 20 doing things, you didn't offer the jury any sort of
01:32:10 21 testimony indicating that Wells Fargo could have just
01:32:14 22 continued using those things instead of using the
01:32:18 23 accused -- the USAA mobile remote deposit technology, did
01:32:23 24 you?

01:32:24 25 A. I wouldn't agree with that characterization.

01:32:26 1 Q. Do you believe, sir, that instead of adopting the USAA
01:32:28 2 approach, Wells Fargo could have just offered to all of its
01:32:34 3 customers use of a specialized check scanner or offering
01:32:38 4 them the ability to go on the Internet and -- and check the
01:32:42 5 amount of their deposit?

01:32:43 6 A. Again, I wouldn't agree with the characterization that
01:32:46 7 you just made there.

01:32:47 8 Q. As an alternative to adopting the Wells Fargo product
01:32:51 9 at issue in this case, can we agree that it would not have
01:32:58 10 been commercially viable for Wells Fargo to simply stick
01:33:01 11 with the old specialized scanner approach of Desktop
01:33:04 12 Deposit?

01:33:04 13 A. Again, the context of that is not correct.

01:33:10 14 Q. Well, we'll come back to that, sir.

01:33:13 15 When we're talking about commercial viability and
01:33:16 16 we're talking about value, you did not mean, sir, to
01:33:20 17 suggest to the jury that you had done any analysis
01:33:26 18 whatsoever to put a number value on what is the impact of
01:33:31 19 mobile check deposit on Wells Fargo, did you?

01:33:34 20 A. Can you restate that question, please?

01:33:39 21 Q. You, sir, have done no analysis as to what is the
01:33:43 22 impact of mobile check deposit on Wells Fargo's business,
01:33:46 23 correct?

01:33:46 24 A. That's incorrect.

01:33:47 25 Q. Would you turn to your July 19th deposition transcript

01:33:50 1 at Page 12?

01:34:03 2 A. Okay. I'm there.

01:34:03 3 Q. Page 12, Line 7 through 10.

01:34:09 4 A. Yes, I've read it.

01:34:15 5 Q. Does that refresh your recollection?

01:34:17 6 A. I can see the words on the page, yes.

01:34:19 7 Q. All right. I'm going to ask the question again.

01:34:21 8 You have done no analysis as to what is the impact
01:34:25 9 of mobile check deposit on Wells Fargo's business, correct?

01:34:31 10 A. That is incorrect.

01:34:33 11 MS. GLASSER: I'm going to ask permission from the
01:34:35 12 Court to read into the record the deposition testimony at
01:34:37 13 Pages 12, 7 through 10.

01:34:38 14 THE COURT: You may show him what you believe to
01:34:41 15 be a prior inconsistent statement and ask him if he said
01:34:43 16 that earlier. You're not going to just read it into the
01:34:47 17 record.

01:34:47 18 MS. GLASSER: Understood. And, actually, just to
01:34:52 19 make sure I have Your Honor's procedure, he -- he looked at
01:34:55 20 it already and said it did not refresh his recollection.

01:34:59 21 THE COURT: He looked at it. He didn't change his
01:35:01 22 answer. If you believe it's inconsistent, you may publish
01:35:05 23 it on the overhead projector, or however you want, to the
01:35:08 24 jury as a prior inconsistent statement or this attempt at
01:35:13 25 impeachment.

01:35:13 1 MS. GLASSER: And, Mr. Huynh, can we play the
01:35:15 2 deposition video, please, Page 12, Lines 7 through 10?

01:35:18 3 Very, very quickly, with the Court's permission,
01:35:50 4 could we play it again?

01:35:51 5 THE COURT: Do it again. Get the volume right.

01:35:54 6 (Videoclip played.)

01:35:55 7 QUESTION: Have you done any analysis as to what
01:35:56 8 is the impact of mobile check deposit on Wells Fargo's
01:35:59 9 business?

01:36:01 10 ANSWER: No.

01:36:01 11 THE COURT: Let's proceed.

01:36:02 12 Q. (By Ms. Glasser) Now, although you haven't personally
01:36:05 13 done the analysis, you're now sitting here as the
01:36:08 14 representative of the entire company. And can we agree
01:36:11 15 that Wells Fargo is, in fact, generating significant
01:36:15 16 profits from remote deposit technology at issue in this
01:36:19 17 case?

01:36:21 18 A. Right. There were two things in there, and so it's not
01:36:24 19 correct.

01:36:24 20 Q. Can we agree that Wells Fargo generates significant
01:36:28 21 profits from mobile remote deposit?

01:36:33 22 A. I'm not sure what you mean by significant, so, no.

01:36:37 23 Q. Well, so, for example, Mr. Weinstein yesterday showed
01:36:41 24 his calculation that Wells Fargo has generated at least
01:36:45 25 \$1.2 billion in profits just since the patents issued. Do

01:36:50 1 you recall that?

01:36:50 2 A. I recall that.

01:36:52 3 Q. And do you, on behalf of Wells Fargo, consider

01:36:55 4 \$1.2 billion to be a significant level of profit?

01:37:00 5 A. I don't agree with Mr. Weinstein's characterization.

01:37:03 6 Q. And you didn't, when you were on the stand, present any

01:37:07 7 alternative calculation?

01:37:07 8 THE COURT: Wait a minute.

01:37:09 9 Mr. Hecht, she didn't ask you if you agreed with

01:37:12 10 Mr. Weinstein. She said, Mr. Weinstein said it was

01:37:15 11 1.2 billion, and she asked you if Wells Fargo considers

01:37:18 12 1.2 billion a significant level of profit.

01:37:22 13 THE WITNESS: I'm sorry, Your Honor.

01:37:24 14 THE COURT: You should have answered it, yes,

01:37:26 15 Wells Fargo considers it a significant level of profit or,

01:37:31 16 no, Wells Fargo doesn't. But to say, I don't agree with

01:37:34 17 Mr. Weinstein, is non-responsive. You need to answer the

01:37:36 18 question as asked, all right?

01:37:38 19 THE WITNESS: Yes, Your Honor, sorry.

01:37:41 20 THE COURT: Let's proceed, Ms. Glasser.

01:37:43 21 Q. (By Ms. Glasser) Sir, does Wells Fargo consider

01:37:45 22 \$1.2 billion to be significant or insignificant?

01:37:51 23 A. That's significant.

01:37:51 24 Q. And you did mention a moment ago that you didn't agree

01:37:54 25 with everything Mr. Weinstein had to say. You did not

01:37:57 1 present to the jury any alternative calculation of Wells
01:38:01 2 Fargo's profits, fair?

01:38:02 3 A. I'm sorry, ma'am, are you asking me?

01:38:07 4 Q. You, sir, did you present to the jury any alternative
01:38:10 5 calculation of Wells Fargo's profits?

01:38:13 6 A. No, ma'am.

01:38:20 7 MS. GLASSER: Let's go ahead and put up on the
01:38:21 8 screen -- let's put on the left-hand side of the screen
01:38:25 9 PX-427 that we were looking at a moment ago. And if we
01:38:33 10 could put on the right-hand part of the screen PX-22 at
01:38:38 11 Page 5.

01:38:41 12 Q. (By Ms. Glasser) And so just to recenter us, we were
01:38:44 13 talking a moment ago about PX-427, an early Wells Fargo
01:38:48 14 document where Wells Fargo was calling out the USAA product
01:38:52 15 and the value to the bank of that product. Do you recall
01:38:54 16 that?

01:38:54 17 A. Yes.

01:39:00 18 Q. And then what we have on the right-hand side of the
01:39:01 19 screen is a document talking about the key benefits. Now,
01:39:06 20 the prior one was to USAA, and this document on the
01:39:09 21 right-hand side is now talking about the key benefits to
01:39:12 22 Wells Fargo. Do you see that?

01:39:13 23 A. I see those words, yes.

01:39:15 24 Q. And do you see here that what Wells Fargo has done is
01:39:19 25 it has listed exactly the same key benefits that were

01:39:23 1 listed in relation to the USAA -- USAA product?

01:39:33 2 A. Yeah, I see those -- I see those words.

01:39:35 3 Q. And so whereas in the first document, Wells Fargo was
01:39:39 4 recognizing that USAA had achieved cost savings as a result
01:39:45 5 of its product, now we see Wells Fargo describing as a key
01:39:50 6 benefit to Wells Fargo the cost savings, correct?

01:39:57 7 A. I see the words that you just highlighted, yes, on the
01:40:02 8 cost savings to Wells Fargo, yes.

01:40:04 9 Q. And at the bottom, you'll recall that before Wells
01:40:08 10 Fargo launched, it had recognized that USAA had been able
01:40:12 11 to achieve this wow/innovation factor. Do you recall that?

01:40:18 12 A. Yes, I see that also.

01:40:20 13 Q. And now what we see on the right-hand side from the
01:40:24 14 Wells Fargo document, Wells Fargo is talking about its own
01:40:28 15 product, and it's saying the key benefits to Wells Fargo
01:40:32 16 include customer wow, correct?

01:40:35 17 A. It says customer wow, yes.

01:40:37 18 Q. And these are the very same key benefits that Wells
01:40:41 19 Fargo associated at the very, very beginning when they saw
01:40:43 20 USAA's launch of its mobile remote deposit product,
01:40:49 21 correct?

01:40:49 22 A. That's incorrect.

01:40:50 23 Q. And, sir, the document we looked at on the left-hand
01:40:52 24 side, that's solely and exclusively in the called out box
01:40:56 25 about the USAA technology, correct?

01:40:58 1 A. That is incorrect.

01:40:59 2 Q. What do you see there on the left-hand side of the
01:41:03 3 screen that's about any technology other than USAA?

01:41:06 4 A. The second part is Wells Fargo information.

01:41:12 5 Q. So this document, you're saying, at the time when USAA
01:41:16 6 was the only bank on the market with this technology,
01:41:20 7 you're saying that Wells Fargo was discussing what value it
01:41:26 8 has to Wells Fargo; is that right?

01:41:28 9 A. Well, the premise of your question I'm not sure I agree
01:41:33 10 with, so I disagree.

01:41:34 11 Q. So back in 2009/2010, Wells Fargo wasn't on the market
01:41:38 12 with mobile remote deposit, correct?

01:41:40 13 A. That is correct.

01:41:41 14 Q. USAA was, correct?

01:41:43 15 A. I've seen that in this trial, yes.

01:41:44 16 Q. And so you understand that when we're talking about the
01:41:47 17 value to the bank as of 2009/2010, the only entity out
01:41:54 18 there as between USAA and Wells Fargo who was actually
01:41:57 19 enjoying that benefit at the time was USAA, correct?

01:42:02 20 A. I've seen that USAA was in the market, in this trial,
01:42:04 21 at that time.

01:42:05 22 Q. And, in fact, this concept of these key benefits to
01:42:11 23 Wells Fargo, the key benefits are worth -- they have a
01:42:14 24 financial value to Wells Fargo, correct?

01:42:15 25 A. Yes, they do.

01:42:19 1 Q. And it's not just these two documents that talk about
01:42:23 2 these key values, there's actually many, many documents in
01:42:27 3 Wells Fargo's files that repeat these exact same lists of
01:42:31 4 key benefits, correct?

01:42:32 5 A. I'm not sure.

01:42:33 6 Q. And we put a couple of examples on the screen just to
01:42:37 7 see if it refreshes your recollection. PX-429 at Page 5.

01:42:56 8 And we see it again there, sir?

01:42:59 9 A. I'm sorry, I got to look at it here. Go back up to the
01:43:03 10 beginning of the document. You said PTX-429?

01:43:07 11 Q. Yeah, and it's also pulled up on your screen, sir, the
01:43:07 12 exact same language.

01:43:07 13 A. I need to see the front of the document. So is it --
01:43:10 14 what is it, 429?

01:43:12 15 Q. 429, correct.

01:43:28 16 A. Okay. I'm looking at it.

01:43:30 17 Q. And you see there again, Wells Fargo's emphasizing
01:43:33 18 those exact same key benefits, including cost savings,
01:43:36 19 including balance growth and retention, share of wallet,
01:43:41 20 and customer wow, correct?

01:43:41 21 A. Yes, I see all that.

01:43:43 22 Q. And it wouldn't surprise you if I had pulled out my
01:43:46 23 binder, many other documents that have extremely similar
01:43:50 24 language from Wells Fargo, would it?

01:43:51 25 A. I don't know, I'd have to see it.

01:43:55 1 Q. Would you be surprised, sir?

01:43:57 2 A. I don't know. I'd have to see it.

01:44:00 3 Q. Now, in your testimony earlier today, I don't think I

01:44:03 4 heard you talk about the cost savings; is that right?

01:44:12 5 A. I don't recall talking about the cost savings.

01:44:14 6 Q. And I don't recall you talking about the added

01:44:21 7 profitability of mobile remote deposit. Did you discuss

01:44:24 8 that at all?

01:44:25 9 A. I have discussed that, yes, with --

01:44:31 10 Q. Here in this courtroom, sir?

01:44:32 11 A. In this courtroom today, no, not until just now.

01:44:35 12 Q. And the one thing that you did talk about, though, you

01:44:39 13 did talk about the ability of this mobile remote deposit

01:44:45 14 technology to take advantage of the existing back end

01:44:49 15 system, correct?

01:44:49 16 A. Yes, I did.

01:44:50 17 Q. And, in fact, one of the really valuable things about

01:44:57 18 mobile deposit is you don't have to build a new back end

01:45:00 19 system, correct?

01:45:01 20 A. That's correct.

01:45:03 21 Q. Because if you had to build an entirely new back end

01:45:08 22 system in order to allow customers to deposit over the

01:45:13 23 mobile phone, that would potentially cost literally

01:45:16 24 hundreds of millions of dollars, correct?

01:45:21 25 A. Yes.

01:45:24 1 Q. Do you know, sir, approximately how many mobile
01:45:33 2 deposits are made per month currently using the Wells Fargo
01:45:37 3 application at issue in this case?

01:45:38 4 A. No, I don't have that to memory.

01:45:42 5 Q. Do you -- would it refresh your recollection if I told
01:45:45 6 you that it was roughly 80 million per year?

01:45:49 7 A. I'd have to see it, but that could be right.

01:45:52 8 Q. That sounds roughly correct?

01:45:54 9 A. I just don't know. I'd like to see it.

01:45:57 10 Q. Have you ever spoken with Mr. Rosati about that topic?

01:46:01 11 A. No.

01:46:07 12 Q. And would Mr. Rosati and Ms. Lockwood-Stein be good
01:46:11 13 sources of information for us and for the jury if they
01:46:14 14 wanted to know how many deposits were being made through
01:46:18 15 the system and how much money per deposit Wells Fargo was
01:46:22 16 making on them?

01:46:23 17 A. Yes, I think they would.

01:46:25 18 Q. When you heard Ms. Lockwood-Stein testify this morning
01:46:35 19 via video and via the reading, did you have any
01:46:41 20 disagreement with the numbers she gave on behalf of Wells
01:46:44 21 Fargo in terms of the greater than a dollar per deposit
01:46:49 22 cost savings?

01:46:51 23 MR. MELSHEIMER: May we approach, Your Honor, just
01:46:53 24 on this subject?

01:46:54 25 THE COURT: Are you objecting to this question?

01:46:57 1 MR. MELSHEIMER: I'm objecting, yes, Your Honor,
01:46:59 2 I'm objecting to the question.

01:47:00 3 THE COURT: Approach the bench.

01:47:00 4 (Bench conference.)

01:47:09 5 THE COURT: What's your objection?

01:47:10 6 MR. MELSHEIMER: Well, Your Honor, it's more of an
01:47:12 7 issue, something that's been limined out, and that is this
01:47:15 8 old data versus new data. You remember there was this
01:47:18 9 dispute about the data that Ms. Lockwood-Stein relied upon,
01:47:22 10 and then we tried to supplement that, and then there's been
01:47:25 11 a ruling that, you know, she wasn't allowed to -- that the
01:47:29 12 testimony about the old data had to --

01:47:32 13 MS. GLASSER: I appreciate the issue. I don't
01:47:34 14 want to accidentally elicit him giving the wrong data.

01:47:37 15 MR. MELSHEIMER: Yeah, I just don't want him to --

01:47:39 16 MS. GLASSER: I can reask it.

01:47:40 17 MR. MELSHEIMER: That's all I'm trying to do is I
01:47:42 18 know there's two sets of data out there, and I'm trying to
01:47:44 19 avoid a problem with that, Judge.

01:47:44 20 THE COURT: Well, there was an original set of
01:47:47 21 data, there was a proposed amended set of data that
01:47:50 22 Judge Payne kept out, and then there was the supplemental
01:47:53 23 data from the end of the last set to the present, which he
01:47:57 24 let in. Correct?

01:47:58 25 MS. GLASSER: Yeah.

01:47:59 1 MR. MELSHEIMER: That's correct, Your Honor. I'm
01:48:00 2 just -- I don't -- this witness may know that -- or have to
01:48:04 3 believe that the first data was inaccurate, so I don't want
01:48:06 4 to be saying --

01:48:06 5 THE COURT: If you can restate the question and
01:48:08 6 clarify it, that will probably solve the problem.

01:48:09 7 MS. GLASSER: I think so, too.

01:48:11 8 MR. MELSHEIMER: So that's why I wanted to come --

01:48:13 9 MS. GLASSER: Thank you for raising that.

01:48:15 10 THE COURT: All right. Let's do that.

01:48:16 11 (Bench conference concluded.)

01:48:23 12 THE COURT: All right. Restate the question,
01:48:24 13 please, counsel.

01:48:26 14 Q. (By Ms. Glasser) When Ms. Lockwood-Stein testified
01:48:28 15 earlier today and she gave her testimony under oath to the
01:48:32 16 jury about the cost savings to Wells Fargo, is Ms. Lockwood
01:48:40 17 an accurate and reliable source of information for the jury
01:48:46 18 to rely on in this case?

01:48:47 19 A. Can I see the actual transcript?

01:48:52 20 THE COURT: No, sir, you were here, you heard the
01:48:53 21 testimony. Either you don't remember the testimony, you
01:48:56 22 agree, or you don't agree.

01:48:58 23 THE WITNESS: Okay.

01:48:59 24 THE COURT: Which is it?

01:49:01 25 A. I think I agree.

01:49:03 1 Q. (By Ms. Glasser) And we can all agree that the cost to
01:49:10 2 Wells Fargo each and every time a Wells Fargo customer uses
01:49:12 3 the mobile deposit technology at issue, instead of the ATM
01:49:17 4 or a teller transaction, Wells Fargo is, in fact, saving
01:49:21 5 money, correct?

01:49:37 6 A. Yes.

01:49:37 7 MS. GLASSER: Could we put up on the screen
01:49:39 8 exhibit PX-1296, please?

01:49:44 9 Q. (By Ms. Glasser) And I'd like to ask you, sir, a few
01:49:46 10 questions about fraud detection, because in addition to the
01:49:49 11 cost savings, there's also been discussion in this case of
01:49:53 12 there being a fraud protection value to the patents.

01:49:58 13 Now, when you were describing the fraud protection
01:50:04 14 capabilities of the technology, at one point in time, I
01:50:08 15 think I wrote this down accurately, did you say: All we
01:50:12 16 did is change the controls to a new channel, in terms of
01:50:21 17 fraud?

01:50:23 18 A. Yes.

01:50:25 19 Q. And -- now, so your testimony to the jury, did you mean
01:50:29 20 to imply that all it would take to ensure that mobile
01:50:35 21 deposit transactions were safe for the bank and safe for
01:50:39 22 consumers is simply hooking in any kind of mobile phone
01:50:43 23 into the existing back end channels?

01:50:46 24 A. No, that's not what I said.

01:50:48 25 Q. Because, in fact, in order for any of those important

01:50:52 1 fraud detections to actually succeed and take place and
01:50:58 2 protect the bank and the consumer, you have to have really
01:51:00 3 robust underlying technology on the mobile application,
01:51:04 4 correct?

01:51:04 5 A. That is not totally correct, no.

01:51:11 6 Q. Well, let's walk through it in detail then.

01:51:15 7 MS. GLASSER: So let's go ahead and put up on the
01:51:16 8 screen Page 7. So let's highlight the box with the MRDC
01:51:23 9 capabilities.

01:51:27 10 Q. (By Ms. Glasser) So this is a document where you were
01:51:29 11 talking about how Wells Fargo went about trying to ensure
01:51:33 12 that its mobile deposit system would not create substantial
01:51:37 13 fraud problems, correct?

01:51:39 14 A. That is correct.

01:51:40 15 Q. And you showed a very, very similar diagram during your
01:51:43 16 direct examination, correct?

01:51:44 17 A. Yes, ma'am.

01:51:46 18 Q. And when it talks about MRDC capabilities, that's not
01:51:49 19 talking about the back end, is it?

01:51:51 20 A. Yes, it is.

01:51:54 21 Q. So MRDC, it shows here up on the top of the screen, it
01:51:58 22 shows the mobile phone, correct?

01:52:01 23 A. That is correct. That's what's on the top of the page.

01:52:06 24 MS. GLASSER: And, actually, if we could pull up
01:52:08 25 the screen a little bit.

01:52:09 1 Q. (By Ms. Glasser) That's actually shown totally

01:52:11 2 separately on the page from what you call the back end,

01:52:13 3 correct?

01:52:13 4 A. Sorry. Can you restate?

01:52:15 5 Q. Sure. The part on the mobile phone, that's different

01:52:18 6 from what you testified about earlier and called the back

01:52:21 7 end, correct?

01:52:22 8 A. The question doesn't make sense, I'm sorry.

01:52:28 9 Q. Is there a difference in your mind, sir, between what's

01:52:31 10 happening on the customer's phone and what's happening on

01:52:33 11 the back end servers?

01:52:35 12 A. There is a difference between what's happening on the

01:52:38 13 phone and what's happening on the servers.

01:52:40 14 Q. And what's shown here on the screen is the phone,

01:52:43 15 correct?

01:52:43 16 A. That is not correct.

01:52:45 17 Q. There's literally a box around --

01:52:47 18 A. Oh, you mean -- I'm sorry, I thought you meant the

01:52:51 19 whole page.

01:52:51 20 Q. I apologize, sir. So we've drawn a little box on the

01:52:55 21 screen to --

01:52:55 22 THE COURT: One at a time. One at a time. Slow

01:52:58 23 down, both of you, and speak one at a time. Okay?

01:53:04 24 THE WITNESS: Yes, sir.

01:53:04 25 MS. GLASSER: Absolutely, Your Honor.

01:53:04 1 THE COURT: Let's go forward.

01:53:07 2 Q. (By Ms. Glasser) So we're looking at a picture of a
01:53:10 3 phone. You see that?

01:53:10 4 A. Yes, I see that.

01:53:11 5 Q. And MRDC, that stands for mobile remote deposit
01:53:14 6 capture, correct?

01:53:14 7 A. That's correct.

01:53:15 8 Q. And so focusing on this part of the questioning about
01:53:17 9 the mobile application itself, are you with me so far?

01:53:20 10 A. Yes.

01:53:22 11 Q. And at the bottom of the list of things that need to be
01:53:25 12 done, we talk about must read the dollar amount via OCR.

01:53:31 13 Do you see that?

01:53:31 14 A. Yes, I do.

01:53:33 15 Q. And there's actually code running on the mobile phone
01:53:37 16 application itself that triggers that function, correct?

01:53:42 17 A. That is not totally correct.

01:53:44 18 Q. And it's not totally correct because it works in
01:53:46 19 conjunction with the back end server, correct?

01:53:51 20 A. No, that's not totally correct either.

01:53:55 21 Q. Well, let's see if we can get some agreement here then.

01:53:58 22 So in order to read the dollar amount via OCR and
01:54:01 23 the item below to read the full MICR amount via OCR, you
01:54:07 24 need to have a really high quality image, correct?

01:54:10 25 A. That is correct.

01:54:11 1 Q. And, in fact, that's something highlighted here, as
01:54:14 2 well. It's very, very important that the image must meet
01:54:17 3 quality standards. You see that?

01:54:20 4 A. Yes, I see that.

01:54:21 5 Q. And even though you didn't read the patents in great
01:54:25 6 detail, you do recall from the opening statements and from
01:54:29 7 Dr. Conte's presentation that quite a number of aspects of
01:54:33 8 the patent claims at issue in this case are all centered
01:54:37 9 around how do you go about actually having the consumer
01:54:40 10 take a high enough quality image to make this process
01:54:44 11 succeed, correct?

01:54:45 12 A. I don't agree with the premise of what you just asked.

01:54:48 13 Q. Do you understand, sir, that the patents at issue in
01:54:51 14 this case involve steps about, for example, giving
01:54:53 15 instructions to a user about how to take a high quality
01:54:57 16 image?

01:54:58 17 A. Yes, ma'am.

01:54:59 18 Q. And you understand that the patent claims at issue in
01:55:01 19 this case talk about, for example, ways to guide the user
01:55:07 20 in taking that picture so it's high quality?

01:55:10 21 A. Yes, ma'am.

01:55:11 22 Q. And all of those things are very important if you want
01:55:13 23 to get an image that you can actually do a MICR read on,
01:55:19 24 correct?

01:55:19 25 A. That's correct.

01:55:19 1 Q. And all of those things are very important so that you
01:55:22 2 can actually read the dollar amount, correct?

01:55:24 3 A. That's correct.

01:55:27 4 Q. And so when we talk about that there was an existing
01:55:30 5 back end system in place, you needed to have the upfront
01:55:36 6 mobile remote deposit technology in order to actually have
01:55:38 7 the inputs to make that back end system work; fair
01:55:41 8 statement?

01:55:41 9 A. Not totally fair. Get a bit more specific for me.

01:55:49 10 Q. If you aren't able to capture an adequate image upfront
01:55:53 11 on the mobile device, you can't perform effective fraud
01:55:58 12 controls that involve reading the MICR line or the checking
01:56:02 13 amount of the check, correct?

01:56:03 14 A. That's true.

01:56:07 15 Q. Now, you talked for -- for quite a while in the morning
01:56:15 16 about these products called Desktop Deposit and something
01:56:19 17 that you referred to as mobile banking. Do you recall
01:56:22 18 that?

01:56:23 19 A. Yes, ma'am.

01:56:23 20 Q. And there's a lot of words there that are similar to
01:56:25 21 the words in mobile remote deposit capture, but they're
01:56:29 22 different technologies, different products, correct?

01:56:32 23 A. No, that's not correct.

01:56:33 24 Q. Sir, the Desktop Deposit product, it's not a
01:56:38 25 downloadable -- we're talking about back end pre-2006.

01:56:41 1 It's not a downloadable application, correct?

01:56:45 2 A. No, that's not correct.

01:56:47 3 Q. It is a web-based device, sir, correct?

01:56:50 4 A. That is not correct.

01:56:51 5 Q. Back in 2006?

01:56:52 6 A. We had two products.

01:56:56 7 Q. I'm talking to you about the Desktop Deposit product

01:57:00 8 that hooked into the specialized scanner. Are you with me

01:57:04 9 so far?

01:57:04 10 A. I am with you.

01:57:05 11 Q. That is not something that anyone could download onto a

01:57:09 12 portable device like a cell phone, correct?

01:57:13 13 A. I'm having trouble with the way you're characterizing

01:57:19 14 it. Can you restate in a different way?

01:57:21 15 Q. Sure. Let's just take a couple of steps back.

01:57:24 16 The Desktop Deposit product, that worked with

01:57:26 17 specialized check scanners in that time frame, correct?

01:57:30 18 A. Yes.

01:57:30 19 Q. And just to be clear, that's what we're talking about

01:57:36 20 when we say Desktop Deposit, correct?

01:57:37 21 A. Well, which product, because there were two Desktop

01:57:40 22 Deposit products?

01:57:41 23 Q. And I'm talking to you about the one that you provided

01:57:44 24 testimony on earlier and we saw the pictures with that

01:57:48 25 specialized scanner, the Panini. Do you recall the Panini?

01:57:53 1 A. I do.

01:57:53 2 Q. All right. And so the other thing that you talked

01:57:55 3 about that has the word "mobile" in it, you said mobile

01:57:58 4 banking was introduced in 2007, correct?

01:58:00 5 A. That's correct.

01:58:00 6 Q. And when you said mobile banking, you meant things like

01:58:03 7 someone can go on an Internet website and check their

01:58:06 8 balance, correct?

01:58:07 9 A. Yes, that's exactly what I said.

01:58:08 10 Q. You were not trying to imply that Wells Fargo had an

01:58:11 11 MRDC product back in 2007, when you said mobile banking,

01:58:16 12 correct?

01:58:16 13 A. That is absolutely correct.

01:58:28 14 MS. GLASSER: Could we -- actually, could we put

01:58:30 15 back up on the screen PX-1296? And could we go to Page 4,

01:58:44 16 please?

01:58:44 17 Q. (By Ms. Glasser) So maybe this is a helpful way to

01:58:47 18 talk about some of the differences between that Desktop

01:58:49 19 Deposit product and the product at issue in this case.

01:58:51 20 So when you look at the middle bullet point, Wells

01:58:56 21 Fargo actually evaluated did it need MRDC or could it just

01:59:01 22 use that DTD, which stands for Desktop Deposit, correct?

01:59:06 23 A. That's correct.

01:59:07 24 Q. And with this picture here of a scanner, I don't know

01:59:10 25 if it's the Panini, but something like that, correct?

01:59:13 1 A. Yes, there's a scanner on here.

01:59:16 2 Q. And that X there, I didn't put that there. That's
01:59:19 3 something in the Wells Fargo document, correct?

01:59:21 4 A. Yes.

01:59:22 5 Q. And this is an official Wells Fargo document that we
01:59:25 6 received as part of the litigation process, correct?

01:59:28 7 A. That's correct.

01:59:29 8 Q. And what Wells Fargo concluded before it launched the
01:59:36 9 mobile deposit technology at issue in this case, that if it
01:59:38 10 had to use a system like that Desktop Deposit, it would
01:59:42 11 drastically cut product profitability, correct?

01:59:45 12 A. That is not correct.

01:59:49 13 Q. Sir, the words on the page say: Drastically cuts
01:59:53 14 product profitability.

01:59:55 15 Correct?

01:59:55 16 A. Yeah, there's additional context that's not here.

01:59:57 17 Q. So far I'm just asking you -- are you with me so far on
02:00:02 18 the page? It says: MRDC bypasses the check scanner
02:00:07 19 requirement.

02:00:08 20 Do you see that?

02:00:08 21 A. Yes, ma'am.

02:00:09 22 Q. And then at the bottom it said: Bank purchase of
02:00:13 23 scanners on behalf of customers drastically cuts product
02:00:16 24 profitability.

02:00:18 25 Correct?

02:00:18 1 A. That's what it says, yes.

02:00:20 2 Q. And did you speak with Mr. Armin Ajami about all of the
02:00:27 3 reasons why he and his group decided that the desktop --
02:00:31 4 that CEO technology, was not a commercially viable option
02:00:36 5 for ordinary consumers?

02:00:37 6 A. I didn't speak to him about that.

02:00:49 7 Q. Did you speak with Mr. Rosati or anyone else at Wells
02:00:53 8 Fargo in preparing to testify about the reasons why they
02:00:57 9 looked at screenshots of the Wells Fargo -- of the USAA
02:01:02 10 product when they were designing the Wells Fargo product?

02:01:04 11 A. Yes.

02:01:07 12 Q. All right. Let's take a look at some of those
02:01:09 13 documents then.

02:01:10 14 You are familiar with this, the fact that Wells
02:01:13 15 Fargo had looked at screenshots from the USAA application
02:01:16 16 in the design process?

02:01:17 17 A. Yes, I'm familiar.

02:01:22 18 MS. GLASSER: Let's go ahead and put up PX-1182.

02:01:27 19 Q. (By Ms. Glasser) And you recognize this document, sir?

02:01:29 20 A. Yes, I do.

02:01:30 21 Q. This is a document that was produced from Wells Fargo's
02:01:34 22 files as part of the litigation process, correct?

02:01:36 23 A. Yes.

02:01:38 24 Q. And what we're looking at here is an image capture test
02:01:58 25 by Wells Fargo of the USAA Deposit@Mobile application,

02:02:05 1 correct?

02:02:05 2 A. Yes, that's what I understand.

02:02:06 3 Q. And this document is actually from 2018, correct?

02:02:12 4 A. I'm sorry, I don't remember the actual date.

02:02:14 5 Q. Do you have a rough recollection of when this
02:02:17 6 particular analysis by Wells Fargo of the USAA application
02:02:21 7 took place?

02:02:23 8 A. I think 2018 could be right.

02:02:25 9 Q. And it was before this lawsuit was filed, correct?

02:02:30 10 A. Correct.

02:02:31 11 Q. And what we see here --

02:02:33 12 MS. GLASSER: If we could zoom in on some of the
02:02:36 13 ones in the middle.

02:02:37 14 Q. (By Ms. Glasser) What we see here is that Wells Fargo
02:02:39 15 was looking at exactly the type of user interface elements
02:02:45 16 that are described in the patent claims -- for example,
02:02:46 17 providing the instructions to the user in order to take a
02:02:48 18 good image and presenting the image to the consumer for
02:02:55 19 verification, correct?

02:02:55 20 A. Yes, this shows the flow of the USAA -- yes.

02:03:04 21 Q. And when we talk about the flow of the USAA product,
02:03:09 22 we're talking about aspects of the USAA application that
02:03:14 23 are protected by the patents, correct?

02:03:15 24 A. No, I don't agree with that.

02:03:18 25 Q. Were you here in court when Mr. -- Dr. Conte testified?

02:03:23 1 A. Yes, I was.

02:03:23 2 Q. And you saw him put up on the screen screenshots of the
02:03:28 3 same steps of the process performed by the Wells Fargo
02:03:31 4 product, correct?

02:03:32 5 A. Yes.

02:03:33 6 Q. And do you recall him indicating that there was no
02:03:36 7 disagreement between him and between Dr. Villasenor on the
02:03:40 8 Wells Fargo side about the fact that the Wells Fargo
02:03:44 9 application actually satisfies each and every one of those
02:03:48 10 particular patent claims?

02:03:49 11 A. I heard Mr. Conte say that, yes.

02:03:52 12 Q. And you have no reason to believe that Dr. Villasenor
02:03:55 13 is going to come here and say anything different with
02:03:57 14 respect to those user interface-related claim elements, do
02:04:01 15 you?

02:04:01 16 A. I'm not sure.

02:04:06 17 Q. Now, one thing that's interesting about this is, if we
02:04:10 18 look at the top one, Wells Fargo is not just going through
02:04:14 19 and seeing how the product works, it's actually taking a
02:04:17 20 look at something called a patent marking page. Do you
02:04:21 21 recall that?

02:04:27 22 A. Yes, I recall that.

02:04:28 23 Q. And you're aware -- this isn't the first time you've
02:04:30 24 seen this document -- you were aware that Wells Fargo
02:04:34 25 actually was looking at USAA's list of patents, correct?

02:04:40 1 A. No, that's not correct.

02:04:42 2 Q. This is the first time you've seen this, sir?

02:04:44 3 A. I've seen this document, yes.

02:04:46 4 Q. And this one is from just before the patents at issue
02:04:50 5 in this case were actually granted by the Patent Office,
02:04:54 6 you recall that?

02:04:54 7 A. Yes, but I think we're out of context here.

02:05:00 8 Q. And what we see here in the document is there is a
02:05:03 9 couple of patents specifically identified that the jurors
02:05:06 10 have heard about in this case, the '227 patent, which is,
02:05:12 11 of course, the original parent patent that we've seen
02:05:15 12 described in this case, correct, the one with the 2006
02:05:19 13 original filing?

02:05:23 14 A. Yes.

02:05:23 15 Q. And the '136 patent is also in the same patent family
02:05:27 16 with the patent asserted in this case, correct?

02:05:29 17 A. Those are in the same patent family, yes.

02:05:31 18 Q. And what the document says that Wells Fargo was looking
02:05:36 19 at -- and, actually, by the way, this red arrow, this is
02:05:40 20 also not something that I or our legal team added. This
02:05:42 21 was actually in the original Wells Fargo document.
02:05:47 22 Correct?

02:05:47 23 A. The red arrow is in the original document, yes.

02:05:49 24 Q. And what it's pointing out is this patent marking where
02:05:53 25 it says, additional patents are pending, correct?

02:05:55 1 A. That is absolutely incorrect.

02:05:58 2 Q. It's just coincidental?

02:06:00 3 A. It's absolutely incorrect.

02:06:02 4 Q. So is it coincidental that Wells Fargo put a red arrow
02:06:08 5 pointing on its document pointing at the patent marking
02:06:10 6 page, yes or no?

02:06:11 7 A. The answer is yes.

02:06:12 8 Q. Now, I think we went over a moment ago, you're aware
02:06:20 9 that the patents in this case are what's called
02:06:22 10 continuation applications?

02:06:23 11 A. Yes, ma'am.

02:06:27 12 Q. And to the extent that the jury took away from anything
02:06:29 13 that the Wells Fargo lawyers said, some kind of impression
02:06:33 14 that a continuation patent is unusual or improper in any
02:06:37 15 way, that would be an incorrect impression, correct?

02:06:43 16 MR. MELSHEIMER: Your Honor, I'm going to object
02:06:45 17 to the argumentative and inaccurate characterization.

02:06:51 18 THE COURT: Approach the bench.

02:06:52 19 (Bench conference.)

02:07:02 20 THE COURT: I'm going to overrule the objection,
02:07:05 21 but the question is argumentative. I can't recall hearing
02:07:10 22 a more argumentative witness in many years than this
02:07:15 23 gentleman. He is going to start giving straight answers to
02:07:17 24 questions or I'm going to call him down again in a way he
02:07:21 25 doesn't want. You don't want me to call him down in front

02:07:23 1 of this jury.

02:07:24 2 MR. MELSHEIMER: Understood.

02:07:25 3 THE COURT: And Ms. Glasser, you're not asking
02:07:27 4 questions, you are asking paragraphs. They are so long and
02:07:30 5 convoluted I see Mr. Melsheimer's forehead wrinkle, and
02:07:33 6 mine is doing the same thing trying to figure out what your
02:07:36 7 questions are. It would be so much more helpful if they
02:07:40 8 could be short, simple questions.

02:07:42 9 MS. GLASSER: Will do, Your Honor.

02:07:43 10 THE COURT: They're just awkward and long and
02:07:45 11 convoluted and at least part of why the witness may be as
02:07:51 12 outwardly argumentative as he is, because he may be
02:07:54 13 struggling to understand them as much as I am. So if you
02:07:57 14 could ask simple questions and if he could give straight
02:08:00 15 answers, I would enjoy this process a whole lot more.

02:08:03 16 MR. MELSHEIMER: I understand, Your Honor, I think
02:08:04 17 you've hit on I think part of the challenge.

02:08:05 18 THE COURT: But your objection to her question is
02:08:07 19 overruled.

02:08:08 20 MR. MELSHEIMER: Thank you, Your Honor.

02:08:09 21 (Bench conference concluded.)

02:08:12 22 THE COURT: Let's proceed.

02:08:15 23 Q. (By Ms. Glasser) Do you still have my question in
02:08:18 24 mind, sir?

02:08:18 25 A. Could you still repeat it?

02:08:19 1 Q. If the jury took away anything from the argument of
02:08:23 2 Wells Fargo's counsel to the effect that there's something
02:08:25 3 wrong or improper or unusual about continuation patents,
02:08:30 4 that would be an incorrect impression, fair?

02:08:34 5 A. Continuation patents are normal, yes.

02:08:38 6 Q. Continuation patents are very normal, and there's
02:08:42 7 absolutely nothing improper about them, correct?

02:08:44 8 A. Right, as long as they're done properly, yes.

02:08:48 9 Q. And you know from your own experience in patents that
02:08:56 10 the way a continuation patent works is that the patent
02:08:59 11 examiner actually reviews it to see if it's supported by
02:09:02 12 the original specification, correct?

02:09:04 13 A. That's correct.

02:09:05 14 Q. And the patent examiner won't issue a continuation
02:09:13 15 patent unless the patent examiner has satisfied him or
02:09:17 16 herself that the written description requirement is
02:09:20 17 satisfied, correct?

02:09:20 18 A. That is correct.

02:09:21 19 Q. And in this case, USAA submitted these two applications
02:09:24 20 actually to two separate patent examiners, you understand?

02:09:27 21 A. Yes.

02:09:28 22 Q. And --

02:09:28 23 MR. MELSHEIMER: Your Honor, excuse me, I'm going
02:09:30 24 to object to this as outside the scope of the direct
02:09:32 25 examination talking about what the Patent Office did and

02:09:38 1 the prosecution history.

02:09:38 2 THE COURT: Do you have a response, Ms. Glasser?

02:09:43 3 MS. GLASSER: He indicated that he was familiar
02:09:45 4 with patents, that he's the corporate representative in a
02:09:48 5 case where there's been a significant argument made by the
02:09:52 6 other side that needs to be clarified.

02:09:57 7 THE COURT: Well, I don't think that opens the
02:09:59 8 door -- door to questions about the Patent Office. I'll
02:10:01 9 sustain the objection.

02:10:03 10 Q. (By Ms. Glasser) Let me ask you about something in
02:10:05 11 your own personal knowledge regarding the patent
02:10:11 12 specifications. You were here in opening statement when
02:10:15 13 the Wells Fargo attorney made the argument that the 2018
02:10:28 14 patents for the first time talk about using a mobile device
02:10:29 15 with a digital camera. Do you recall words to that effect
02:10:33 16 from the Wells Fargo lawyer?

02:10:35 17 A. Yes, ma'am, I do.

02:10:36 18 Q. And, in fact, that's not true, is it, sir?

02:10:41 19 A. I think it is true.

02:10:43 20 Q. You, sir -- well, let's start here. You're aware that
02:10:49 21 the '605 patent makes reference to, for example, PDAs,
02:10:54 22 correct?

02:10:54 23 A. Yes, ma'am.

02:10:55 24 Q. And you, sir, from your experience in the industry, you
02:11:02 25 understand full well that when you hear the word mobile

02:11:05 1 devices, that includes PDAs, correct?

02:11:15 2 A. That's not totally correct.

02:11:18 3 Q. Would you agree it is generally correct that when you
02:11:21 4 hear the word mobile devices, that includes PDAs, yes or
02:11:28 5 no?

02:11:28 6 MR. MELSHEIMER: I'm going to object, Your Honor,
02:11:29 7 as also outside the scope and getting into the
02:11:32 8 specification which he did not discuss.

02:11:34 9 THE COURT: No, that's overruled.

02:11:36 10 You can answer the question, Mr. Hecht.

02:11:40 11 A. Can you repeat the question, please?

02:11:42 12 Q. (By Ms. Glasser) A person in the industry understands
02:11:45 13 when they hear the word mobile devices that it includes
02:11:48 14 PDAs, correct?

02:11:55 15 A. I don't totally agree with that.

02:11:58 16 Q. Could you turn in your binder to your September 13th
02:12:01 17 deposition transcript at Page 30? Page 30, Lines 14
02:12:22 18 through 21, please.

02:12:27 19 A. Yes, I'm there.

02:12:28 20 Q. And does that refresh your recollection, sir?

02:12:30 21 A. Yes, that's what I said in the deposition.

02:12:34 22 Q. So I'll ask you again, when you hear the word mobile
02:12:37 23 devices, you understand that would include things like
02:12:42 24 PDAs, correct?

02:12:43 25 A. No, that's not correct.

02:12:48 1 MS. GLASSER: Mr. Huynh, could we play the
02:12:52 2 deposition, Page 30, Lines 14 through 21?

02:12:55 3 (Videoclip played.)

02:12:55 4 QUESTION: In other words, when you hear the word
02:12:57 5 mobile devices, you understand that that would include
02:12:59 6 things like handheld devices and PDA devices which have now
02:13:04 7 evolved into tablets and smartphones, fair?

02:13:09 8 ANSWER: I think that's generally correct.

02:13:11 9 (Videoclip ends.)

02:13:12 10 Q. (By Ms. Glasser) As Wells Fargo's corporate
02:13:23 11 representative, has Wells Fargo been aware since 2010 that
02:13:29 12 USAA had filed for patents in the MRDC space, yes or no?

02:13:36 13 A. I don't know.

02:13:39 14 Q. Would you turn in your binder to the September 13th
02:13:43 15 deposition at Page 22, Line 25?

02:14:06 16 A. And is this the September one, I'm sorry.

02:14:08 17 Q. Yes, the same one that we were just in.

02:14:12 18 A. And once again, the page?

02:14:14 19 Q. 22, at the end, Line 25?

02:14:16 20 A. I got it. I was on the wrong page.

02:14:18 21 Q. It spills over on to the next page?

02:14:22 22 A. I see it now.

02:14:23 23 Q. And does that refresh your recollection, sir, of how
02:14:25 24 you testified under oath?

02:14:27 25 A. Yes, it does.

02:14:35 1 Q. As Wells Fargo's corporate representative, Wells Fargo
02:14:40 2 has been aware since 2010 that USAA had filed for patents
02:14:46 3 in the MRDC space, correct?

02:14:48 4 A. Yes.

02:14:51 5 MS. GLASSER: I pass the witness.

02:14:52 6 THE COURT: Redirect.

02:14:53 7 MR. MELSHEIMER: Yes, Your Honor. Thank you.

02:15:06 8 THE COURT: Approach the bench, counsel.

02:15:08 9 (Bench conference.)

02:15:12 10 THE COURT: For purposes of me judging when a
02:15:16 11 recess is appropriate, how long do you think your redirect
02:15:18 12 will go?

02:15:19 13 MR. MELSHEIMER: You know, maybe 15 minutes,
02:15:24 14 Judge, or so.

02:15:24 15 THE COURT: Okay. That will be fine.

02:15:26 16 MR. MELSHEIMER: Okay.

02:15:26 17 THE COURT: Let's go.

02:15:27 18 (Bench conference concluded.)

02:15:28 19 THE COURT: Let's proceed.

02:15:29 20 MR. MELSHEIMER: May it please the Court.

02:15:29 21 REDIRECT EXAMINATION

02:15:36 22 BY MR. MELSHEIMER:

02:15:36 23 Q. You were asked some questions about what your
02:15:36 24 responsibility was with MRDC. Do you recall those
02:15:37 25 questions at the beginning, sir?

02:15:39 1 A. Yes, sir.

02:15:39 2 Q. And did you have consulting responsibility for MRDC?

02:15:47 3 A. I had consulting and also decision-making.

02:15:50 4 Q. And what's the difference between consulting,
02:15:57 5 decision-making, and direct responsibility, in your mind?

02:15:59 6 A. So I was responsible for everything check-related. And
02:16:03 7 so that's why I answered the way that I did. So I
02:16:09 8 consulted on everything check because the digital team that
02:16:12 9 was doing the work did not understand check at all because
02:16:16 10 they were mobile banking, Internet banking people. And so
02:16:22 11 I worked with them and had decision-making ability on
02:16:25 12 anything related to check.

02:16:27 13 Q. Did you have a different, more direct responsibility on
02:16:30 14 the back end processes?

02:16:32 15 A. Yes. As I had testified earlier, I had been working on
02:16:36 16 that for a couple of decades. And so I had -- that's why I
02:16:40 17 had this deep understanding of check and was -- I needed to
02:16:43 18 consult with the new teams that were doing check via the
02:16:47 19 Internet.

02:16:48 20 Q. You were asked a question about a list of people and
02:16:51 21 whether or not you were on that list. Do you remember
02:16:53 22 that?

02:16:53 23 A. Yes, I do, sir.

02:16:55 24 Q. Now, was one of the people on that list a man named
02:16:58 25 Scott Thomas?

02:16:58 1 A. That's correct.

02:16:59 2 Q. Does Scott -- who is Scott Thomas?

02:17:01 3 A. Scott Thomas was one of my employees.

02:17:03 4 Q. Does he report to you as a -- as a person who works at
02:17:07 5 Wells Fargo?

02:17:07 6 A. He did. He's retired now.

02:17:12 7 MR. MELSHEIMER: Let's take a look at Plaintiff's
02:17:13 8 Exhibit 23.

02:17:13 9 Q. (By Mr. Melsheimer) I think it's in your binder, sir.

02:17:20 10 MR. MELSHEIMER: And let's go to Page 7.

02:17:23 11 Q. (By Mr. Melsheimer) You were asked some questions
02:17:26 12 about this. If you flip with me, sir, at Page 7, I think
02:17:33 13 it's Slide 6.

02:17:53 14 A. Okay.

02:17:53 15 Q. Now, you were asked a question about whether any of the
02:17:58 16 information on this page -- first of all, is this a
02:18:02 17 multi-page document?

02:18:03 18 A. Yes, sir, it is.

02:18:04 19 Q. Is this just one page of 12 pages?

02:18:12 20 A. Yes, that's right.

02:18:13 21 Q. What's the document called, Plaintiff's Exhibit 23?

02:18:22 22 A. Check Deposit Services, DTD Mobile Concept, dash, SWOT
02:18:33 23 Analysis.

02:18:33 24 Q. What does DTD mobile concept mean?

02:18:36 25 A. Desktop Deposit mobile concept.

02:18:38 1 Q. Is that -- is that two different things or one thing?

02:18:41 2 A. It's -- it's a combination of two things.

02:18:44 3 Q. What are the two things it's a combination of?

02:18:46 4 A. Desktop Deposit and mobile.

02:18:51 5 Q. What is an SWOT analysis?

02:18:55 6 A. Honestly, I'm not sure what that acronym means.

02:19:07 7 Q. Well, take a look at Page -- the next page, the slide,

02:19:11 8 and look at the titles of the different boxes there, and

02:19:14 9 you -- tell me if that refreshes your recollection about

02:19:17 10 what SWOT stands for.

02:19:19 11 A. Yes, it's strengths, weaknesses, opportunities, and

02:19:23 12 threats.

02:19:23 13 Q. All right. This is a document -- an internal document

02:19:27 14 at Wells Fargo in 2010 or so?

02:19:29 15 A. Yes, sir.

02:19:31 16 Q. Okay. So you were asked some questions about --

02:19:34 17 MR. MELSHEIMER: Let's move to Page 7.

02:19:36 18 Q. (By Mr. Melsheimer) And there's questions -- there's

02:19:38 19 issues about -- there on mobile banking services. Do you

02:19:41 20 see that?

02:19:42 21 A. Yes, sir.

02:19:47 22 Q. And you were asked about -- well, first of all, is

02:19:51 23 this -- is this all information -- first of all, strike

02:19:54 24 that.

02:19:55 25 MR. MELSHEIMER: I apologize, Your Honor.

02:19:56 1 Q. (By Mr. Melsheimer) Is there information on here about
02:19:59 2 things other than USAA?

02:20:02 3 A. Yes, sir.

02:20:02 4 Q. In fact, there are -- how many different bullet points
02:20:05 5 are there on this page?

02:20:06 6 A. Seven bullet points.

02:20:08 7 Q. And how many relate to USAA?

02:20:10 8 A. One.

02:20:10 9 Q. And that information about USAA in the final bullet
02:20:15 10 point, was that public information, as far as you know?

02:20:21 11 MS. GLASSER: Object to leading.

02:20:22 12 THE COURT: Sustained.

02:20:23 13 Q. (By Mr. Melsheimer) Do you know if the -- if the -- do
02:20:27 14 you know whether or not the information that is contained
02:20:30 15 in this slide on this page in that bullet point was public
02:20:33 16 information or not public information?

02:20:35 17 A. I believe it was public information.

02:20:37 18 Q. All right. Let's take a look at para -- Plaintiff's
02:20:39 19 Exhibit 427, which you were also asked about. And is that
02:20:48 20 also a multi-page document?

02:20:49 21 A. Yes, sir, it is.

02:20:50 22 Q. Were you asked about all the pages?

02:20:52 23 A. No, sir, I was not.

02:20:53 24 Q. Is it almost 30 pages of documents, sir?

02:21:01 25 A. Yes, sir.

02:21:02 1 Q. Now, let's take a look at the one slide that you were
02:21:06 2 asked about. And it's the second slide, sir. It's called
02:21:13 3 Mobile RDC Moving From Niche to Mainstream.

02:21:19 4 Now, first of all, is this slide itself, of the
02:21:22 5 30 or so, is it limited to USAA, just on its face?

02:21:27 6 A. No, sir.

02:21:28 7 Q. What other bank is just as plain as day on there?

02:21:32 8 A. Chase.

02:21:32 9 Q. And what other banks are listed in the -- in the bottom
02:21:35 10 box?

02:21:35 11 A. It has Bank of America, PayPal, and then small banks
02:21:41 12 and credit unions.

02:21:45 13 Q. You were asked about USAA's offer to give a license --
02:22:14 14 or negotiate or discuss a license with Wells Fargo. Do you
02:22:19 15 know when that occurred?

02:22:21 16 A. No, I do not.

02:22:22 17 Q. Now, you were asked in your deposition -- you were
02:22:31 18 asked a question about whether or not you'd reviewed the
02:22:37 19 patents very briefly. Do you recall that?

02:22:37 20 A. Yes, I did.

02:22:38 21 Q. Now, you were -- when was your deposition in this case?
02:22:41 22 When was one of your depositions in this case?

02:22:44 23 A. There were two.

02:22:45 24 Q. Was -- was one of them in July of 2019?

02:22:52 25 A. That's correct.

02:22:52 1 Q. In July of 2019, had you reviewed the patents very
02:22:55 2 briefly or had you reviewed them extensively?

02:22:58 3 A. I had reviewed them very briefly.

02:23:00 4 Q. What has happened since July of 2019 and today with
02:23:03 5 respect to your review of the patents?

02:23:05 6 A. I've reviewed them extensively.

02:23:08 7 Q. And has that included sitting here for the last few
02:23:11 8 days, as the patent has been discussed?

02:23:14 9 A. Yes, sir.

02:23:14 10 Q. You were also asked about whether or not you'd done any
02:23:27 11 investigation into additional facts about the case back in
02:23:30 12 your September of 2019 deposition. Do you remember that?

02:23:34 13 A. Yes, sir.

02:23:34 14 Q. And you said you hadn't done much?

02:23:36 15 A. In that deposition, yes.

02:23:37 16 Q. Since September of 2019, have you done some more to
02:23:41 17 educate yourself about the issues you've told the jury
02:23:44 18 about?

02:23:44 19 A. Yes, I've met with our experts many times.

02:23:48 20 Q. And have you also talked to people at Wells Fargo that
02:23:51 21 you identified in your cross-examination?

02:23:53 22 A. Yes, sir.

02:23:59 23 Q. Have you made yourself available to the consulting
02:24:03 24 experts or the experts retained by Wells Fargo to answer
02:24:06 25 their questions about the bank systems and your knowledge

02:24:10 1 of them?

02:24:10 2 A. Yes, sir.

02:24:17 3 Q. Let's take a look at Exhibit 22 that you were asked

02:24:19 4 about. If you go to Page 5.

02:24:52 5 There's a -- there's a paragraph here you're asked

02:24:55 6 about the key benefits to Wells Fargo include.

02:24:59 7 Now, what is the purpose of this document, sir?

02:25:11 8 Take a look at the cover of it.

02:25:12 9 A. Yeah, I was just doing that. One second.

02:25:15 10 Yes, I believe this is a project definition

02:25:20 11 document.

02:25:20 12 Q. Okay. And is this a pilot program as -- for -- for the

02:25:25 13 bank's evaluation of mobile remote deposit?

02:25:28 14 A. Yes, sir, that's what it is.

02:25:30 15 Q. And are -- are these benefits -- are these things that

02:25:33 16 the bank was looking at back in 2010 when it was

02:25:36 17 considering mobile remote deposit?

02:25:39 18 A. They are.

02:25:39 19 Q. Take a look at Plaintiff's Exhibit 1296. You were

02:25:47 20 asked about this, as well.

02:26:01 21 Now, what is Plaintiff's Exhibit 1296?

02:26:03 22 A. It's a presentation about mobile remote deposit

02:26:09 23 capture.

02:26:09 24 Q. Now, it's a multi-page document?

02:26:11 25 A. Yes, sir, it is.

02:26:12 1 Q. And were you -- were you asked about all the pages or
02:26:15 2 just limited pages?

02:26:16 3 A. Limited, sir.

02:26:18 4 Q. Okay. Let's take a look at page -- well, first of all,
02:26:21 5 let's -- let's take a look at Page 4, because you were
02:26:24 6 asked about this one.

02:26:27 7 So it says: Why mobile RDC given our remote --
02:26:34 8 sorry, why mobile RDC given our DTD experience.

02:26:40 9 Is that Desktop Deposit?

02:26:41 10 A. Yes, sir, that is.

02:26:41 11 Q. Is this document dated January 2011?

02:26:44 12 A. Yes, it is.

02:26:45 13 Q. What is being illustrated on this slide, sir?

02:26:47 14 A. What it talks about is whether or not we can use the
02:26:54 15 experience in Desktop Deposit with the scanner as our go
02:27:00 16 forward experience for other customers.

02:27:04 17 Q. And were you -- were you -- why is there an X over that
02:27:08 18 scanner?

02:27:08 19 A. Because what we realized is that Desktop Deposit, while
02:27:10 20 it's still important, when you have a lot of checks, it's
02:27:14 21 still something that consumers still want. So if you've
02:27:17 22 got 10 checks at home, it's very difficult to capture 10
02:27:21 23 checks by doing it with a mobile phone. So we needed this
02:27:26 24 capability, but we also wanted to take advantage of the
02:27:28 25 smartphones because now those cameras and the capabilities

02:27:31 1 of the smartphone became way better than they were
02:27:35 2 previously.

02:27:35 3 So what it was saying is we're -- we're going to
02:27:38 4 not go forward with this as our go forward only solution,
02:27:43 5 but that we're going to add the capability for smartphones
02:27:47 6 so that you can do both single item capture of a check and
02:27:54 7 then multi-item capture of a check if you've got multiple.

02:27:57 8 Q. Take a look at Page 7, sir, of this slide deck which
02:28:04 9 you were asked extensively about on your cross-examination.

02:28:04 10 So just give me a sense of what is being shown on
02:28:07 11 this slide.

02:28:07 12 A. Yes. So on the upper side, it shows the things that we
02:28:12 13 actually do as part of that mobile front end process, as
02:28:16 14 we've talked about earlier. And then in the right-hand
02:28:20 15 side, it actually shows the back end processes that --
02:28:23 16 processes that we talked about earlier.

02:28:25 17 And then it gives you a comprehensive view of all
02:28:28 18 the things down below. And it doesn't really totally
02:28:32 19 enumerate whether or not they're front end or back end
02:28:36 20 underneath even though they're on one side or the other.
02:28:39 21 So it basically is a mixture of that in totality.

02:28:44 22 Q. So in terms of the phone that's shown there on the top,
02:28:47 23 is -- is everything next to the phone? Is that
02:28:52 24 reflecting -- strike that.

02:28:53 25 Does this illustrate that everything next to the

02:28:57 1 phone is, in fact, on the phone?

02:28:58 2 A. No, it is not on the phone.

02:29:01 3 Q. Well, the good decisions plus EWS real-time, I think we
02:29:07 4 saw that in your direct examination. Is that part of the
02:29:09 5 back end process or the front end process?

02:29:11 6 A. It's part of the back end process.

02:29:13 7 Q. And what do -- what is good decisions plus EWS
02:29:17 8 real-time?

02:29:17 9 A. That's a service that we've had in place for many
02:29:21 10 years. We built it probably over a decade before this to
02:29:26 11 actually process for the branch. And we leveraged that
02:29:29 12 process, as I had spoke to earlier, with new controls in
02:29:34 13 place. So that process is an old process from the back
02:29:38 14 end.

02:29:38 15 Q. All right, sir. Let me turn your attention to
02:29:46 16 Exhibit 1182. You were shown this in your
02:29:58 17 cross-examination, sir.

02:30:00 18 A. Yes.

02:30:00 19 Q. I want to ask you some questions about it.

02:30:04 20 First of all, are these the kind of screenshots
02:30:13 21 that you could get of the Wells Fargo app off of YouTube or
02:30:15 22 the Internet that you described for us in your direct
02:30:19 23 examination before lunch?

02:30:20 24 A. Yes. You can go onto YouTube and all those different
02:30:24 25 places right now and get very similar information about

02:30:30 1 lots of our products.

02:30:31 2 Q. Including this -- including the information about the
02:30:33 3 USAA product, right?

02:30:34 4 A. Yes, sir.

02:30:35 5 Q. And do these screenshots reveal anything to -- anything
02:30:39 6 about the technical workings of the USAA product?

02:30:44 7 A. No, they do not.

02:30:46 8 Q. And looking at these arrows, I want to make sure we --
02:30:52 9 we talk about this, because you were asked about this on
02:30:55 10 your cross-examination. So, first of all, are these -- how
02:31:01 11 were these screenshots laid out based on your looking at it
02:31:05 12 and understanding it?

02:31:06 13 A. If we're talking about the second one with the arrows,
02:31:11 14 if you look very closely at those, those little boxes that
02:31:18 15 are there are really buttons that show pop ups. And if you
02:31:22 16 show the bottom one --

02:31:25 17 MR. MELSHEIMER: I'm sorry, Your Honor. I'm
02:31:31 18 sorry. Could we approach? I'm sorry.

02:31:36 19 (Bench conference.)

02:31:38 20 THE COURT: Just a minute, Ms. Glasser. You're
02:31:41 21 not going to start a conversation with opposing counsel at
02:31:44 22 the podium in the middle of the courtroom.

02:31:46 23 MS. GLASSER: I'm so sorry. Can we ask him to
02:31:49 24 take it down. The '571 patent is up on the screen right
02:31:52 25 now from Case 1. It's the wrong version.

02:31:54 1 MR. MELSHEIMER: You're saying this -- I'm sorry,
02:31:56 2 Your Honor. Are they suggesting it's the wrong -- this
02:31:59 3 isn't 1182?

02:32:00 4 MS. GLASSER: It's the one from the last case.

02:32:02 5 MR. MELSHEIMER: Okay. So is there -- what was
02:32:03 6 the 1182 that you showed him?

02:32:05 7 MS. GLASSER: The same one, but we redacted it for
02:32:09 8 this case.

02:32:10 9 THE COURT: If you all have an issue, you approach
02:32:10 10 the bench. You don't just start talking to each other in
02:32:13 11 the middle of the courtroom.

02:32:13 12 MS. GLASSER: I'm so sorry.

02:32:14 13 THE COURT: Don't do that again.

02:32:15 14 MS. GLASSER: Okay. I apologize. I thought he
02:32:17 15 would want to know. I'm so sorry.

02:32:19 16 MR. MELSHEIMER: Your Honor --

02:32:21 17 THE COURT: Just pull up the slide that she used.

02:32:23 18 MS. GLASSER: Our graphics guy can pull it up.

02:32:26 19 MR. MELSHEIMER: I think I can, Your Honor.

02:32:29 20 THE COURT: Let's just do that. Let's proceed.

02:32:31 21 (Bench conference concluded.)

02:32:35 22 Q. (By Mr. Melsheimer) Mr. Hecht, we may be showing the
02:32:37 23 wrong slide.

02:32:38 24 MR. MELSHEIMER: So might we pull up the USAA
02:32:41 25 slide that they showed you on this issue on your

02:32:44 1 cross-examination, just so we're on the same page.

02:32:47 2 Q. (By Mr. Melsheimer) Are you with me, sir?

02:32:49 3 A. Yes, sir.

02:32:54 4 Q. All right. So this is Plaintiff's Exhibit 1182, and I
02:32:57 5 believe you also have a copy of it in your binder, as well.

02:33:03 6 So let's reframe where we were.

02:33:06 7 What do you understand to be illustrated on this
02:33:10 8 slide, sir?

02:33:12 9 A. Yes. The -- the red boxes that are around the question
02:33:16 10 mark first on the bottom, what was illustrated here is to
02:33:20 11 be able to click on that and to cause the pop up to come
02:33:25 12 up, and that's what's down below. It shows what pops up if
02:33:29 13 there's a -- if you click that question mark.

02:33:32 14 And then the top is the same thing. So it shows
02:33:35 15 what pops up whenever you click that button, and then just
02:33:40 16 by chance, that arrow is pointing where it's pointing. But
02:33:44 17 that is the actual pop up that happens when you click on
02:33:47 18 the top that pops up whenever you're going through the
02:33:51 19 screen flow.

02:33:52 20 Q. Sir, you were asked a question, or it was suggested
02:33:56 21 that that arrow is just pointing right at those patent
02:33:59 22 numbers, and you were asked a question about is that a
02:34:03 23 coincidence, and I think you said -- I think you said, yes,
02:34:05 24 that's a coincidence. What did you mean by that?

02:34:08 25 A. Yes, so, again, it's really just a common practice when

02:34:11 1 you're showing screen flows, when you use a pop up, you
02:34:16 2 draw an arrow to show that it was a pop up and again,
02:34:17 3 there's a pop up on the bottom, it's got the same arrow and
02:34:19 4 the one on the top, it's a pop up, and it's got that arrow.

02:34:23 5 So, again, if you click those two things that are
02:34:25 6 in the red squares, they cause a new screen to pop up and
02:34:30 7 that's really what this was depicting.

02:34:32 8 Q. Why is it important to understand when you look at an
02:34:35 9 app the different screens that are popping up when you do
02:34:39 10 different actions? Why is that something that would be
02:34:41 11 important to know?

02:34:42 12 A. It's, again, in our research when we look at
02:34:45 13 competitors or when competitors look at us, you want to
02:34:51 14 understand what the customer experience is, and that's
02:34:51 15 really what we were looking at here and what we look at in
02:34:54 16 other competitors as to how the screen flows go.

02:34:58 17 Q. And I think, sir, that the patents that were -- to the
02:35:09 18 extent there's even patents on that screen, those aren't
02:35:13 19 the patents asserted in this case, are they, sir?

02:35:17 20 A. No, sir.

02:35:25 21 Q. You were asked a question in your deposition about
02:35:31 22 PDAs, and I wonder if you might -- we might turn back to
02:35:38 23 that, sir.

02:35:45 24 MR. MELSHEIMER: I apologize, Your Honor. It's
02:35:46 25 going to take me a minute to find this.

02:35:48 1 THE COURT: Take a moment.

02:36:17 2 Q. (By Mr. Melsheimer) So, sir, can you take a look at
02:36:18 3 your deposition that you were asked about -- it's the
02:36:23 4 September deposition, September 13th, 2019, on Page 30,
02:36:29 5 Line 14 -- excuse me, Line -- starting on Line 8, going
02:36:40 6 through Line 21. Let me know when you're there.

02:36:46 7 A. Yes, I'm there.

02:36:47 8 Q. Now, were you asked a question about whether or not
02:36:50 9 mobile devices are sometimes referred to as handheld
02:36:53 10 devices?

02:36:53 11 A. Yes, sir.

02:36:54 12 Q. And you said like a phone, yeah, or a tablet?

02:36:58 13 A. Yes.

02:36:58 14 Q. Right? And the question that you were asked, that you
02:37:01 15 were asked about on cross-examination, is: In other words,
02:37:05 16 when you hear the word mobile devices, you understand that
02:37:09 17 that would include things like handheld devices and PDA
02:37:14 18 devices, which have now evolved into tablets and
02:37:18 19 smartphones, fair?

02:37:19 20 A. Yes, that's what it says.

02:37:22 21 Q. And is that what you answered as being generally
02:37:25 22 correct?

02:37:25 23 A. Yes, that's what I said, to be generally correct.

02:37:28 24 Q. And tell the jury what -- okay. Thank you.

02:37:32 25 So you're not changing or disagreeing with that

02:37:41 1 answer, are you, sir?

02:37:42 2 A. No, I still disagree with the answer.

02:37:46 3 Q. The answer to which question?

02:37:48 4 A. That -- the one that we just went through because
02:37:51 5 there's a differentiation between PDAs and smartphones.

02:37:55 6 Q. You think a PDA is different from a smartphone?

02:37:57 7 A. Yes, sir.

02:38:10 8 MR. MELSHEIMER: Just one moment, Your Honor.

02:38:39 9 May I approach counsel, Your Honor?

02:38:40 10 THE COURT: You may.

02:39:24 11 MR. MELSHEIMER: We've taken a vote, Your Honor,
02:39:26 12 and I have -- I have no further questions of Mr. Hecht.

02:39:30 13 THE COURT: You pass the witness?

02:39:31 14 MR. MELSHEIMER: Yes, Your Honor.

02:39:33 15 THE COURT: Is there additional cross-examination?

02:39:35 16 MS. GLASSER: No, Your Honor.

02:39:36 17 THE COURT: You may step down, Mr. Hecht.

02:39:38 18 THE WITNESS: Thank you.

02:39:41 19 THE COURT: Ladies and gentlemen, we're going to
02:39:43 20 take a short recess at this time. You can simply close and
02:39:46 21 leave your notebooks in your chairs. Don't discuss the
02:39:48 22 case, follow all my other instructions. We'll be back
02:39:53 23 shortly to continue. With that, you're excused for recess.

02:39:57 24 COURT SECURITY OFFICER: All rise.

02:39:59 25 (Jury out.)

02:40:12 1 THE COURT: Counsel, I understand that we had an
02:40:28 2 errant slide put on the screen earlier, but there's no
02:40:31 3 excuse for direct conversation in the well of the courtroom
02:40:35 4 with the jury in the box with the Court not knowing what
02:40:38 5 you're whispering back and forth about. I don't want to
02:40:41 6 see that kind of conduct again.

02:40:42 7 If there's a problem, then you ask to approach the
02:40:45 8 bench, we'll discuss it up here, and we'll give directions
02:40:48 9 from the bench. We're not going to have ongoing
02:40:50 10 conversations across the courtroom in the middle of the
02:40:53 11 trial. It's disrespectful, and I don't expect it to happen
02:40:58 12 again. If it does, there'll be severe consequences.

02:41:01 13 We stand in recess.

02:41:02 14 COURT SECURITY OFFICER: All rise.

02:41:20 15 (Recess.)

03:07:40 16 (Jury out.)

03:07:41 17 COURT SECURITY OFFICER: All rise.

03:07:42 18 THE COURT: Be seated, please.

03:10:56 19 Defendants, are you prepared to call your next
03:11:05 20 witness?

03:11:07 21 MR. JOHNSON: We are, Your Honor.

03:11:08 22 THE COURT: All right. Let's bring in the jury,
03:11:12 23 please.

03:11:12 24 COURT SECURITY OFFICER: All rise.

03:11:16 25 (Jury in.)

03:11:32 1 THE COURT: Welcome back, please be seated.

03:11:37 2 Defendant, call your next witness.

03:11:43 3 MR. JOHNSON: Thank you, Your Honor. The

03:11:44 4 Defendants call William Saffici.

03:11:47 5 THE COURT: All right. Mr. Saffici, if you'll

03:11:49 6 come forward and be sworn, please.

03:11:57 7 Counsel, are there binders to distribute with

03:12:00 8 regard to this witness?

03:12:02 9 MR. JOHNSON: There will be, Your Honor.

03:12:04 10 (Witness sworn.)

03:12:08 11 THE COURT: Please come around, sir. Have a seat

03:12:11 12 on the witness stand.

03:12:13 13 MR. JOHNSON: And, Your Honor, may I approach with

03:12:14 14 binders?

03:12:15 15 THE COURT: You may.

03:12:17 16 MR. JOHNSON: Thank you.

03:12:36 17 THE COURT: All right. Mr. Johnson, you may

03:12:38 18 proceed.

03:12:38 19 MR. JOHNSON: Thank you, Your Honor. May it

03:12:40 20 please the Court.

03:12:40 21 WILLIAM SAFFICI, DEFENDANT'S WITNESS, SWORN

03:12:40 22 DIRECT EXAMINATION

03:12:41 23 BY MR. JOHNSON:

03:12:41 24 Q. Mr. Saffici, will you introduce yourself to the jury,

03:12:44 25 please?

03:12:44 1 A. Yes. Good afternoon. My name is William Saffici.

03:12:47 2 Q. Mr. Saffici, where are you from?

03:12:49 3 A. I live in a town called Garnet Valley, Pennsylvania,
03:12:56 4 which is a suburb just outside of Philadelphia.

03:12:56 5 Q. How long have you lived there, sir?

03:12:57 6 A. My entire life. I was born in Philadelphia, and I have
03:13:02 7 lived either in the city for most of my life or suburban
03:13:07 8 area now.

03:13:07 9 Q. And, Mr. Saffici, do you have children?

03:13:08 10 A. Yes, I have two sons. I have three granddaughters and
03:13:12 11 one grandson.

03:13:13 12 Q. And what do you do for work, sir?

03:13:16 13 A. I'm self-employed as a business consultant in check and
03:13:20 14 image processing, working with banks and companies who
03:13:22 15 provide services for banks.

03:13:24 16 Q. And what areas do you provide consulting services in?

03:13:29 17 A. It's primarily all related to check item processing
03:13:33 18 with the imaging aspect of it, as well.

03:13:37 19 Q. Is your background in check processing?

03:13:39 20 A. Yes, my entire career has been there. And, in fact, I
03:13:42 21 started back when President Lyndon Johnson was in office.

03:13:47 22 Q. Did you go to college to learn about check processing?

03:13:52 23 A. No, unfortunately there isn't a college curriculum on
03:13:56 24 this subject. So, basically, I've learned throughout my
03:13:59 25 entire career as I was involved in different initiatives,

03:14:02 1 as well as moving up the ranks in the business -- in the
03:14:06 2 various employers I had worked for.

03:14:09 3 Q. And you said you'd been in the business since Lyndon
03:14:10 4 Johnson was President, but how many years have you been in
03:14:12 5 check processing?

03:14:12 6 A. Well, I started in June of 1966, so that makes this 53
03:14:18 7 years.

03:14:18 8 Q. Mr. Saffici, what is your role in this case?

03:14:23 9 A. I was hired by Wells Fargo to provide an independent
03:14:27 10 evaluation of the validity of the patents in this case, as
03:14:32 11 well as to provide a response to some of Mr. Calman's
03:14:37 12 opinions on benefits of some of the claims.

03:14:39 13 Q. Okay. And have we seen Mr. Calman in court yet?

03:14:42 14 A. No, I haven't seen him.

03:14:44 15 Q. Okay. Did you prepare some demonstratives to go with
03:14:49 16 your testimony to help the ladies and gentlemen of the jury
03:14:54 17 understand your testimony a little better?

03:14:55 18 A. Yes, I have.

03:14:56 19 Q. And we're starting to see those on the screen now?

03:14:59 20 A. This is the first of them, yes.

03:15:01 21 Q. First, will you tell the jury a little bit about your
03:15:06 22 experience in -- in banking and check processing and,
03:15:10 23 really, you know, when did you get started?

03:15:12 24 A. Well, I got started in June of 1966.

03:15:16 25 Q. How old were you?

03:15:17 1 A. I was a few months shy of 18.

03:15:19 2 Q. Now, Mr. Saffici, how does a 17-year-old get started in
03:15:24 3 banking?

03:15:24 4 A. Well, during my high school years, I felt as though I
03:15:27 5 needed to take on a little part-time job to help with the
03:15:31 6 house -- family situation, so I was working for a food
03:15:35 7 services company, and each evening from 6:00 to 9:00 p.m.,
03:15:39 8 I served lunch to the nightshift check processing staff at
03:15:43 9 the Philadelphia National Bank.

03:15:45 10 Q. And how did serving lunch at the folks at Philadelphia
03:15:49 11 National Bank's nightshift lead to a career in banking?

03:15:53 12 A. Well, over the three years that I was doing that, I got
03:15:56 13 to engage with a lot of the staff, including the management
03:15:59 14 of the staff. Plus, I was also inquisitive about what's
03:16:02 15 this check processing. This is going back when it was
03:16:05 16 really very primitive.

03:16:07 17 And I guess showing some interest in interaction
03:16:10 18 with the folks, they asked me if I was looking upon
03:16:14 19 graduation of high school to move into the banking
03:16:18 20 industry. I told them that I was enrolled in Penn State
03:16:22 21 University in the fall, so they offered me a part-time
03:16:24 22 position if I wanted to do that.

03:16:26 23 Q. Okay. And did you take that part-time job at
03:16:29 24 Philadelphia National?

03:16:30 25 A. Yes, I did. I actually started the day after I

03:16:33 1 graduated high school in June of '66.

03:16:35 2 Q. Okay. So Mr. Saffici, you've literally been in check
03:16:38 3 processing since high school?

03:16:39 4 A. That's absolutely correct, yes.

03:16:41 5 Q. Okay. How long did you work for Philadelphia National
03:16:45 6 Bank?

03:16:45 7 A. I was there over a period of 20 years, so from 1966 to
03:16:50 8 '86.

03:16:50 9 Q. Okay. Now, Mr. Saffici, do you see in front of you one
03:16:53 10 of your demonstratives is a timeline. Is that on your
03:16:56 11 screen?

03:16:57 12 A. Yes, it is.

03:16:58 13 Q. Okay. We're going to put your industry experience
03:17:00 14 across the top, okay?

03:17:01 15 A. Yes.

03:17:02 16 Q. All right. Now, you were at Philadelphia National for
03:17:02 17 20 years, so did you eventually get a full-time job with
03:17:11 18 them?

03:17:11 19 A. Yes. I actually started full time then in February of
03:17:16 20 '67. I went to Penn State for one semester, and then went
03:17:20 21 full time. And then I went to evening at community
03:17:23 22 college.

03:17:23 23 Q. What area of the Philadelphia National Bank were you
03:17:29 24 focused in for those 20 years?

03:17:31 25 A. Entirely check processing. Check processing is

03:17:34 1 multiple departments. So I had my hands in a -- in a
03:17:38 2 number of initiatives and departments over those years.

03:17:42 3 Q. Where did you start at Philadelphia National?

03:17:44 4 A. I started at a very entry level position operating a
03:17:48 5 reader/sorter, and I think we saw some pictures. And we'll
03:17:51 6 see some more of those right here.

03:17:52 7 Q. Okay. Mr. Saffici, are these three of the
03:17:55 8 reader/sorters that you worked with?

03:17:57 9 A. Yes, I actually did operate all three of those. The
03:18:00 10 one in the front and the one in the upper right, I was
03:18:02 11 actually involved in the implementation of those, as well.

03:18:05 12 Q. Can you tell us the reader/sorter devices -- can you
03:18:11 13 kind of give us its role in check processing and benefits
03:18:14 14 back in the '60s and '70s when that's what you were working
03:18:18 15 on?

03:18:18 16 A. Right. As we heard, I think, a little bit from
03:18:21 17 Mr. Hecht, as well, back in those days, everything was
03:18:24 18 paper-based. Everything had to be touched by a human.
03:18:27 19 Every -- every check did, before it was ready to be
03:18:29 20 processed on a reader/sorter.

03:18:32 21 And as its name implies, reader/sorter, it reads
03:18:36 22 and sorts checks. So that little round circle area in the
03:18:41 23 middle picture here is showing you a check going through.
03:18:44 24 You'll see some of the numbers at the bottom, which I'm
03:18:48 25 sure you're familiar with. And that information is being

03:18:50 1 read at that point.

03:18:52 2 And as the software receives that information, it
03:18:56 3 can make some decisions where -- in which pockets to put
03:19:02 4 those checks.

03:19:03 5 So in these earlier machines, you see we had fewer
03:19:10 6 numbers of pockets, but then when you look up at the upper
03:19:12 7 right there, now, that pocket -- that machine only had 24,
03:19:14 8 but it could go up to 36. So when Mr. Hecht said they're
03:19:17 9 big, they are big.

03:19:19 10 Q. Now, remind us, why would the checks need sorting back
03:19:24 11 at this time period?

03:19:24 12 A. Right. Because checks had to be -- those checks that
03:19:28 13 had to be presented to the paying bank, they had to get
03:19:32 14 there by truck or plane. And banks, like the bank I was
03:19:37 15 with, we would send some checks maybe to the Federal
03:19:40 16 Reserve. We might send others directly to the specific
03:19:45 17 paying bank. We might have also used another bank like
03:19:49 18 Wells Fargo -- would send them groups of checks for, say,
03:19:53 19 West Coast banks.

03:19:54 20 So the decision that made to -- to do the sorting
03:19:58 21 was to pocket these checks so that they were ready then to
03:20:01 22 be bundled, put in bags, tagged, and so forth to be put on
03:20:07 23 trucks and planes to go to the paying bank.

03:20:10 24 Q. Now, you started running a reader/sorter. Can you kind
03:20:18 25 of give us a summary of your 20 years at Philadelphia

03:20:21 1 National?

03:20:21 2 A. Well, I won't do all 20. At a high level, as I said, I
03:20:24 3 moved through many of the areas in the umbrella of check
03:20:28 4 processing, and also was managing them at the same -- as I
03:20:33 5 was moving through them.

03:20:34 6 But my other focus was that as I moved in to take
03:20:38 7 over another department or add one on to my
03:20:41 8 responsibilities, I was also chartered with the automation
03:20:44 9 of it. So not only was the check processing where we saw
03:20:47 10 reader/sorters, there were other -- there were about 10
03:20:50 11 departments and/or functions that I was directly involved
03:20:53 12 in the automation of during that 20-year period.

03:20:56 13 And when I left in '86, my title was assistant
03:20:59 14 vice president of operations.

03:21:01 15 Q. Mr. Saffici, when you left Philadelphia National in
03:21:05 16 1986, this will kind of go back to our timeline, where did
03:21:10 17 you go?

03:21:10 18 A. I was recruited by a company called Unisys, spelled
03:21:16 19 U-n-i-s-y-s. They were looking for individuals with deep
03:21:20 20 industry experience because of some new innovations that
03:21:24 21 they were working on.

03:21:25 22 Q. Okay. What was -- before we get to those innovations,
03:21:28 23 what was Unisys?

03:21:30 24 A. Well, Unisys is a technology company, providing both
03:21:33 25 hardware and software solutions to a variety of industries.

03:21:38 1 The airline industry, government, commercial, et cetera,
03:21:41 2 and banking, of course. And that was the part that I
03:21:45 3 worked in was the banking division.

03:21:47 4 Q. Okay. What did you do for Unisys?

03:21:49 5 A. Well, for Unisys, I had several roles. I did sales
03:21:52 6 support. I also was in program management. And I provided
03:21:57 7 consultive services to our existing customers or
03:22:01 8 prospective customers on our products.

03:22:04 9 Q. And what area of technology were you focused on at
03:22:07 10 Unisys?

03:22:07 11 A. This, again, was all specific to check processing and
03:22:10 12 then imaging as it came out.

03:22:13 13 Q. Mr. Saffici, you mentioned that there were some
03:22:14 14 innovations that occur when you began at Unisys. Can you
03:22:19 15 tell the jury about those innovations that occur in the
03:22:23 16 mid-'80s as you're there?

03:22:24 17 A. Yes. And part of the reason they were looking for, you
03:22:27 18 know, experienced individuals, they were coming out with a
03:22:30 19 new check imaging system. You saw that big reader/sorter
03:22:35 20 that I showed you and Mr. Hecht showed you. And what they
03:22:37 21 were doing was -- Unisys had a similar type machine. They
03:22:42 22 were -- we were getting ready to put cameras in the track
03:22:45 23 of those sorters so that as the checks were moving down the
03:22:50 24 track, we were taking pictures of them -- or images as we
03:22:53 25 call them.

03:22:54 1 And so that was the first big thing, plus there
03:22:58 2 was new software to a company that changed. And one of the
03:23:03 3 pieces of software that was really critical to this process
03:23:06 4 was -- you heard the term OCR, or optical character
03:23:08 5 recognition. That is the ability to read the amount or
03:23:14 6 other information from the face of the document.

03:23:17 7 So if it was a check, it was looking up at the
03:23:20 8 courtesy amount read only initially. On a deposit ticket,
03:23:24 9 you could pick up a handwritten account number, other
03:23:29 10 internal documents, handwritten information, as well.

03:23:32 11 Q. Mr. Saffici, why were the introduction of imaging,
03:23:36 12 cameras, and OCR an important innovation while you were at
03:23:42 13 Unisys?

03:23:42 14 A. Right. If you go back in time before this announcement
03:23:46 15 and release of product, every -- every process of check
03:23:50 16 processing was sort of like an assembly line, I guess you
03:23:54 17 would call it, where you went from Step A to Step B to
03:23:57 18 Step C, et cetera.

03:23:58 19 Now, with the introduction of imaging, we were
03:24:01 20 able to take the paper check, as soon as the trucks
03:24:06 21 arrived, take them out of the bags, create the image of the
03:24:09 22 check and then in a distributed manner, be able to perform
03:24:12 23 subsequent functions that had to be -- that were required
03:24:16 24 before we finally -- before we had a final disposition of
03:24:20 25 the item.

03:24:21 1 Q. And how were you involved in these innovations?

03:24:24 2 MR. SHEASBY: Your Honor, may we approach? I have
03:24:26 3 an objection.

03:24:27 4 THE COURT: Approach the bench.

03:24:28 5 (Bench conference.)

03:24:36 6 MR. SHEASBY: He's going through elements of the
03:24:40 7 claims by this background, talking about distributed
03:24:42 8 systems and distributing OCR. This slide was purported to
03:24:45 9 be Mr. Saffici's background, not a detailed dive into the
03:24:49 10 prior art technology relating to OCR and distributed
03:24:52 11 systems.

03:24:52 12 So I'm -- I want him to have -- to be able to tell
03:24:55 13 the jury his experience, but this is not -- this is not a
03:24:59 14 prior art case. He should not be discussing the prior art
03:25:01 15 technology at that level of detail.

03:25:03 16 THE COURT: Well, go ahead, Mr. Johnson.

03:25:06 17 MR. JOHNSON: Your Honor, I'm -- I'm prepared --
03:25:07 18 we have gone as in-depth as I would go into it. It's
03:25:12 19 really to show his familiarity with the technology. We're
03:25:15 20 moving on to something else.

03:25:16 21 THE COURT: Well, let's move along and get him
03:25:18 22 qualified as an expert.

03:25:20 23 MR. JOHNSON: Thank you, Your Honor.

03:25:21 24 (Bench conference concluded.)

03:25:21 25 THE COURT: Let's proceed.

03:25:25 1 Q. (By Mr. Johnson) Mr. Saffici, even though you'd had
03:25:31 2 these innovations and you were doing internal processing at
03:25:35 3 the bank with the images, were check images being exchanged
03:25:39 4 between banks yet?

03:25:40 5 A. No, not yet. The -- the paper check was still the
03:25:44 6 legal negotiable instrument that had to be presented to the
03:25:47 7 paying bank in order to collect payment from it.

03:25:51 8 Q. So we're still planes and trucks?

03:25:53 9 A. Yeah, yes.

03:25:55 10 Q. Where did you work next, sir?

03:25:57 11 A. I then joined a company called Fiserv. I was actually
03:26:00 12 recruited by them, as well. Fiserv is spelled F-i-s-e-r-v.

03:26:04 13 Q. What was Fiserv?

03:26:05 14 A. Fiserv is also a technology company providing software
03:26:10 15 and services to -- exclusively to the financial industry.

03:26:15 16 Q. Okay. What position did you hold with Fiserv?

03:26:17 17 A. Positions I had there included program management,
03:26:21 18 product management, as well as industry liaison -- the
03:26:27 19 financial -- liaison into the financial industry dealing
03:26:29 20 with the standards organization you heard Mr. Hecht mention
03:26:31 21 earlier, and some other industry initiatives.

03:26:35 22 Q. You were a part of ANSI?

03:26:40 23 A. Yes, that's correct.

03:26:41 24 Q. And what is ANSI?

03:26:42 25 A. American National -- American National Standards

03:26:48 1 Institute, yes.

03:26:48 2 Q. And what was your focus with ANSI?

03:26:51 3 A. I worked on the standards for the substitute check that
03:26:56 4 we heard Mr. Hecht talk about before, that was related to
03:26:59 5 Check 21, as well as the standard for the image file format
03:27:04 6 that allowed for the movement of images from bank to bank
03:27:08 7 or from customer to bank.

03:27:10 8 Q. As we -- as you moved into the '90s with Fiserv, were
03:27:15 9 there some beneficial technology -- technological
03:27:19 10 advancements with the images in banks?

03:27:21 11 A. Well, yes. In addition to the use of the images for
03:27:26 12 the internal processing, banks continued to implement that
03:27:32 13 and gain that -- those benefits. It was also around the
03:27:35 14 time that the Internet was becoming a break-through for use
03:27:40 15 of functions.

03:27:41 16 Q. Okay. And how did the Internet affect banking and your
03:27:45 17 role at Fiserv?

03:27:46 18 A. Right. So one of the things that -- that happened --
03:27:51 19 the use of the Internet -- and Mr. Hecht, again, mentioned
03:27:54 20 that earlier -- was Internet banking where Wells Fargo was
03:27:58 21 one of the first ones to have implemented that. And -- and
03:28:04 22 as Mr. Hecht described, it was used for -- initially for
03:28:09 23 some of the rudi -- rudimentary things of looking at
03:28:13 24 balances or maybe looking at your transaction history
03:28:15 25 statements.

03:28:15 1 But from an image perspective, the banks were now
03:28:22 2 able to allow their customers to see their paid checks in
03:28:23 3 image form and thereby starting to reduce more of the
03:28:27 4 operational aspects of having to sort checks at the end of
03:28:30 5 the month and stuff them in a statement. I think we all
03:28:35 6 remember receiving those in the past.

03:28:38 7 Q. As we move into the 2000s, Mr. Saffici, what was the --
03:28:43 8 for you, the next big advancement in check processing
03:28:46 9 affecting your work?

03:28:47 10 A. Well, the next big impact for the entire industry --
03:28:51 11 and, again, I'm going to be repeating a little bit of
03:28:53 12 Mr. Hecht -- but you heard Check 21 before, okay? And that
03:28:59 13 was signed into law on October 28th of 2003, and then
03:29:06 14 implemented one year later on October 28th of 2004. So
03:29:12 15 it -- I'm sorry.

03:29:13 16 Q. Remind us why Check 21 was a big development in your
03:29:19 17 work.

03:29:20 18 A. Right. Check 21, you know, modernized now how banks
03:29:26 19 can present checks to the paying bank. They were now able
03:29:29 20 to begin using an image because the image -- Check 21
03:29:33 21 allowed the image to be that negotiable item, if you want
03:29:37 22 to still call it an item, rather than the paper check.

03:29:41 23 Q. Okay. While at Fiserv, did you have particular
03:29:45 24 involvement in technologies to aid in the implementation of
03:29:49 25 Check 21?

03:29:49 1 A. Yes. I was one of the leads on the project to build a
03:29:53 2 Check 21 solution. So we had about a year, you know, from
03:29:57 3 the signing to the implementation. And we worked with --
03:30:02 4 we worked with software development to put together a
03:30:06 5 process that would allow us initially, as Mr. Hecht also
03:30:09 6 explained, print substitute checks.

03:30:15 7 Q. And did you actually succeed in developing a Check 21
03:30:19 8 system that utilized images for presentment purposes?

03:30:22 9 A. Yes, we did. In fact, on the day of October 28th of
03:30:26 10 2004, a little different from Mr. Hecht's example, but what
03:30:33 11 we did with Fiserv working with another couple
03:30:35 12 organizations, we had a bank in Wichita, Kansas creating --
03:30:40 13 collecting -- sorry, creating some images from their
03:30:43 14 regular processing, and they sent a number of those images
03:30:47 15 that were going to -- that they would have normally sent to
03:30:50 16 the Atlanta Fed, they sent them through another network.

03:30:53 17 We received those images. We printed the
03:30:56 18 substitute checks. And just had them couriered to the
03:31:02 19 nearby Federal Reserve office. This period from -- I mean,
03:31:04 20 this time frame from end-to-end was probably an hour or
03:31:07 21 less, but if the original paper route had taken place, it
03:31:10 22 might have been up to two days of collecting payment on
03:31:13 23 those items.

03:31:15 24 Q. So when Check 21 came into being, how were the images
03:31:19 25 that you were working with captured?

03:31:20 1 A. Initially, the images were being captured on the
03:31:27 2 reader/sorters that we've been talking about.

03:31:29 3 Q. Did you eventually become -- begin working with
03:31:33 4 innovations around image capture?

03:31:35 5 A. Yes. We looked at -- the banks wanted to say now,
03:31:37 6 okay, I'm getting these benefits of processing my images in
03:31:40 7 a back office, being able to now to start using the image
03:31:44 8 to be sent, how can I now take some of this paper, the
03:31:47 9 checks, away from the back office. So how can we look at
03:31:52 10 where checks are coming from to start image enabling and
03:31:56 11 let the checks stop at that place.

03:31:59 12 Q. So in the mid-2000s, what were some of the innovations
03:32:03 13 that you were working with?

03:32:04 14 A. Right. There was actually three innovations that came
03:32:08 15 out. First was corporate remote deposit capture. The
03:32:13 16 second was image ATMs. And then the third was the image
03:32:20 17 enablement of the branches at the teller or in the branch.

03:32:24 18 Q. And what is corporate RDC?

03:32:26 19 A. Right. Corporate RDC is what we, again, heard
03:32:32 20 Mr. Hecht talk about the using the Desktop Deposit
03:32:36 21 application he referred to. And I think the other day it
03:32:38 22 was Mr. Conte, I believe, or somebody had a -- or Mr. Brady
03:32:39 23 had a scanner up here, right, that processed checks.

03:32:44 24 So the corporate customer would have that in their
03:32:46 25 office, and checks that they would receive in payment each

03:32:49 1 day, which they would normally have, you know, someone take
03:32:53 2 them to the bank to deposit, they created the deposit right
03:32:56 3 there and electronically sent their deposit in in image
03:33:01 4 form to the bank.

03:33:02 5 Q. And did you work --

03:33:07 6 MR. SHEASBY: Your Honor, I object.

03:33:08 7 THE COURT: State your objection.

03:33:09 8 MR. SHEASBY: This is just -- I don't understand
03:33:13 9 what -- this is just a narrative discussion about the
03:33:16 10 industry. I don't know what this has to do with
03:33:18 11 Mr. Saffici's qualifications.

03:33:20 12 THE COURT: Well --

03:33:21 13 MR. JOHNSON: May I respond, Your Honor?

03:33:22 14 THE COURT: He's entitled to ask him questions
03:33:24 15 about which he has personal knowledge until he qualifies
03:33:28 16 him as an expert, after which he can ask him for opinions.
03:33:31 17 He hasn't asked for any opinions yet. The man has personal
03:33:34 18 knowledge of what he's been asked so far. I assume at some
03:33:38 19 point we're going to get this witness qualified as an
03:33:40 20 expert, but until that time, he's just a fact witness.

03:33:43 21 MR. SHEASBY: I understand.

03:33:43 22 THE COURT: And instead of an introduction, if he
03:33:45 23 wants to go through all this factual background, he's
03:33:47 24 entitled to do that.

03:33:49 25 MR. SHEASBY: Thank you, Your Honor.

03:33:50 1 THE COURT: Objection is overruled. Let's
03:33:51 2 proceed.

03:33:52 3 MR. JOHNSON: Thank you, Your Honor.

03:33:53 4 Q. (By Mr. Johnson) What is image ATM?

03:33:56 5 A. Again, the ATM was another source of checks that would
03:33:58 6 make their way to the bank's processing center. And,
03:34:01 7 again, as Mr. Hecht mentioned before, we used to use an
03:34:04 8 envelope to put the content in.

03:34:05 9 Now, by putting a camera and software into the
03:34:10 10 ATM, you only have to insert a check or, in most cases, you
03:34:13 11 can enter a group of checks. So the images would then flow
03:34:18 12 to the back office operation, and the check would not have
03:34:21 13 to be moved from the ATM. Eventually, it gets emptied to
03:34:26 14 be truncated or, I'm sorry, to be shredded.

03:34:29 15 Q. And then branch teller capture, have we heard about
03:34:33 16 that, and did you work with it?

03:34:34 17 A. Yes, I -- when I was at Fiserv, I worked with a
03:34:38 18 customer on a -- they had a number of remote branches that
03:34:41 19 were central in Chicago, but they had a number of remote
03:34:44 20 branches, and they wanted to be able to maximize the
03:34:49 21 benefit of getting those checks in a lot earlier to their
03:34:52 22 Chicago operation.

03:34:52 23 Q. Now, once the image was captured, whether it was
03:34:55 24 captured at the -- the reader/sorter or one of these other
03:34:59 25 three devices, did you work with it in getting it to the

03:35:04 1 processing in the banks?

03:35:06 2 A. Yes. So what -- just as we heard before, the back
03:35:10 3 office-type processing environment, and that -- that
03:35:15 4 infrastructure started, you know, back in the '80s when we
03:35:20 5 started introducing the cameras and the software.

03:35:22 6 So that as these additional channels -- and that's
03:35:25 7 synonymous with Mr. Hecht's use of the word sources, as --
03:35:28 8 as they came about in the industry, the -- their images and
03:35:34 9 the rest of the process all occurred in the same
03:35:38 10 back-office operation.

03:35:38 11 We didn't really put all that descript --
03:35:41 12 description here, but as you recall, Mr. Hecht's five
03:35:48 13 dark-colored boxes I think on the right, that's what we
03:35:51 14 also called the back office operation.

03:35:52 15 Q. Okay. From your experience, did the -- did the back
03:35:58 16 office care from a technical perspective how the image was
03:36:01 17 captured?

03:36:01 18 A. No, the capture source was, you know, separate. But,
03:36:04 19 again, it had to meet the requirements that the back office
03:36:07 20 part required. So that's what allowed the back office
03:36:11 21 piece to, you know, be -- didn't really care what -- what
03:36:17 22 source it was coming from.

03:36:18 23 Q. So no matter how it was captured, the image was
03:36:21 24 processed through the same system in the same way?

03:36:25 25 A. That's correct.

03:36:25 1 Q. Mr. Saffici, how is it that you are knowledgeable about
03:36:30 2 all of these developments with images and checks?

03:36:33 3 A. Well, I guess you can say that I've been somewhat
03:36:37 4 fortunate that over my years, going all the way back to the
03:36:40 5 bank, of being able to get involved in numbers of
03:36:43 6 technology projects, and, you know, through that, you're
03:36:45 7 constantly learning. That was one source.

03:36:48 8 A second source was I worked on a number of
03:36:52 9 industry groups. We heard about ANSI, but there were
03:36:56 10 several others that I was involved with who would be
03:36:58 11 looking to see as technologies were evolving.

03:37:02 12 And then the other is I was also chartered to stay
03:37:05 13 on top of industry activities through attending conferences
03:37:09 14 or reading, you know, publications on the banking industry
03:37:12 15 topics so that -- and that's particularly important when
03:37:15 16 you're in a product management role to be staying on top
03:37:20 17 of, you know, what new customer needs are and how -- how do
03:37:24 18 you accomplish that.

03:37:24 19 Q. Mr. Saffici, returning to your timeline here at the
03:37:28 20 top, when you leave Fiserv in 2007, where do you go?

03:37:33 21 A. I joined a company called Symcor, spelled S-y-m-c-o-r.
03:37:43 22 They were -- they were just starting to, quote, open up
03:37:45 23 their outsourcing business in the U.S.

03:37:48 24 Q. And what were they focused on?

03:37:50 25 A. They were focused also on check and item processing,

03:37:53 1 but this was services, not software. So companies like
03:37:57 2 SunTrust outsourced to Symcor to let them do all their
03:38:02 3 processing.

03:38:04 4 Q. And when you finished your assignments on check
03:38:06 5 processing with Symcor, where did you go?

03:38:09 6 A. So the beginning of 2009, I decided, let me see what I
03:38:12 7 can do on my own, and that's when I started Saffici Payment
03:38:18 8 Consulting, my own business.

03:38:19 9 Q. What do you -- what type of consulting do you do in
03:38:22 10 Saffici Payments?

03:38:24 11 A. My consulting over these past 11 years has been, again,
03:38:27 12 all in the check and imaging aspects, working on business
03:38:32 13 problems or technological problems with banks and companies
03:38:36 14 that provide services to the banks.

03:38:39 15 Q. Now, we've heard about remote capture with -- mobile
03:38:47 16 remote capture. That would come along as you're in the --
03:38:52 17 late -- later in your career. Was there anything about
03:38:55 18 mobile remote capture that differed in terms of the systems
03:38:59 19 that we've been talking about and your familiarity with
03:39:02 20 them?

03:39:02 21 A. No, the mobile system -- the mobile application, the
03:39:05 22 mobile check deposit application became another channel,
03:39:08 23 another source channel, just as we see corporate, image ATM
03:39:14 24 and branch capture. And, again, it was designed to be able
03:39:17 25 to feed into the existing infrastructure in the back office

03:39:20 1 process that the banks already had in place.

03:39:23 2 Q. Mr. Saffici, is Saffici Payment Consultings being
03:39:30 3 compensated for your work in this case?

03:39:32 4 A. Yes, I am.

03:39:33 5 Q. Is your compensation for work in this case in any way
03:39:35 6 tied to either the results this jury reached or the
03:39:39 7 opinions you reached?

03:39:40 8 A. Absolutely not.

03:39:40 9 Q. Okay. We're here in court and you're testifying and
03:39:44 10 you've provided services in this litigation, but what
03:39:48 11 portion of your engagements relate to legal -- parties and
03:39:53 12 legal disputes?

03:39:54 13 A. Over the period of time that I have been in business
03:39:58 14 for myself, about 20 percent.

03:40:00 15 Q. What does the other 80 percent of your work have to do
03:40:03 16 with?

03:40:03 17 A. Well, the other 80 percent is the consulting type work,
03:40:07 18 as I mentioned, in the check area, check imaging area,
03:40:10 19 working with banks and the companies that provide services
03:40:13 20 to them.

03:40:13 21 Q. Mr. Saffici, you mentioned that you started at night
03:40:16 22 school. Did you ever finish your college degree?

03:40:18 23 A. No. I completed about 70 percent of my degree credits
03:40:23 24 at Drexel University evening --

03:40:23 25 Q. Okay.

03:40:27 1 A. -- but never finished.

03:40:28 2 Q. Your experience in check processing, though, sir, have
03:40:31 3 we covered that in terms of your training and experience
03:40:33 4 that you've gotten on the job?

03:40:35 5 A. Yeah, it's -- it's a continually evolving process.

03:40:39 6 I -- I -- one of these days I might stop -- oh, I'm sorry,
03:40:44 7 I apologize.

03:40:45 8 MR. JOHNSON: Your Honor, at this time, I would
03:40:47 9 tender Mr. Saffici as an expert in check processing and
03:40:49 10 banking systems.

03:40:50 11 THE COURT: Is there objection?

03:40:51 12 MR. JOHNSON: Based on training and experience,
03:40:53 13 I'm sorry.

03:40:53 14 MR. SHEASBY: No objection, Your Honor.

03:40:54 15 THE COURT: All right. Then the Court will find
03:40:57 16 and designate this witness as an expert in the identified
03:41:00 17 fields.

03:41:00 18 Let's continue, counsel.

03:41:02 19 MR. JOHNSON: Thank you, Your Honor.

03:41:03 20 Q. (By Mr. Johnson) Mr. Saffici, just to be clear, we've
03:41:09 21 heard a lot about 2006 in this case because of the patents
03:41:12 22 that are involved. Did all the technology and all of
03:41:15 23 the -- the experience that you've talked about, did all of
03:41:17 24 that pre-date 2006 other than remote capture -- or mobile
03:41:23 25 remote capture?

03:41:24 1 A. Yes. All the infrastructure was in place to
03:41:28 2 accommodate what we see here on the screen, the various
03:41:30 3 image-enabled source channels.

03:41:33 4 Q. So prior to 2006, banks could enjoy the benefits of
03:41:36 5 customers taking check images and submitting those into
03:41:39 6 banks for processing and payment?

03:41:42 7 A. Yes, that's correct.

03:41:42 8 Q. Prior to 2006, your experience, could they -- did they
03:41:49 9 have a platform, a system in place, for enjoying the
03:41:52 10 benefits of exchanging images with other banks rather than
03:41:55 11 paper checks?

03:41:56 12 A. Yes, that was in place.

03:41:58 13 Q. Okay. And did it matter how the customer had captured
03:42:01 14 the check?

03:42:01 15 A. No, the source did not matter -- did not matter.

03:42:04 16 Q. Mr. Saffici, what issues specifically were you asked to
03:42:10 17 address in this case?

03:42:10 18 A. I was asked to provide an independent evaluation of the
03:42:20 19 validity of the '605 and '681 patents and also to provide a
03:42:22 20 response to some of Mr. Calman's opinions of certain -- the
03:42:28 21 benefits of certain claims.

03:42:30 22 Q. Now, as we turn to the issues of validity in the case,
03:42:37 23 we see a shot from the patent video that probably seems
03:42:43 24 like it's ages ago, but it was just Monday.

03:42:47 25 Can you remind the jury what their role is in

03:42:49 1 deciding issues of validity?

03:42:50 2 A. Yes. As the patent video tells us, the jury has the
03:42:57 3 final say to determine if a patent is invalid. That puts
03:43:02 4 you as -- in a position to provide a check on the Patent
03:43:07 5 Office's power. That's what you would have heard in that
03:43:12 6 video.

03:43:13 7 Q. Mr. Saffici, what type of invalidity are you here to
03:43:17 8 talk with the jury about?

03:43:18 9 A. There's two types. The first is called written
03:43:21 10 description and the second is called anticipation.

03:43:23 11 Q. Now, Mr. Saffici, are you a lawyer?

03:43:28 12 A. No, I am not.

03:43:28 13 Q. How is it that you know about the law on patent
03:43:34 14 validity?

03:43:34 15 A. Well, it's common in -- in these type of cases that
03:43:37 16 expert witnesses are provided some instruction by counsel
03:43:39 17 on the applicable law and provide it -- you know, an
03:43:46 18 understanding of it, and then it's a matter of applying
03:43:48 19 that in the analysis that needs to be performed.

03:43:51 20 Q. And did we hear from Dr. Conte and Mr. Weinstein the
03:43:55 21 same thing yesterday?

03:43:55 22 A. Yes, I believe we did.

03:43:57 23 Q. Now, in your report, did you describe what is known as
03:44:03 24 a person of ordinary skill in the art?

03:44:04 25 A. Yes, I did.

03:44:05 1 Q. And, Mr. Saffici, if you look in front of you, I think
03:44:12 2 your report is -- is in the binder. If you'd turn to
03:44:19 3 Paragraph 13.

03:44:29 4 A. Yes, I'm there.

03:44:30 5 Q. Okay. Can you tell us how you describe a person of
03:44:35 6 ordinary skill in the art?

03:44:35 7 A. Right. For -- for purposes of my reporting -- and the
03:44:39 8 first thing is we -- we look at it from a point in time.
03:44:42 9 So we're talking about 2006. And a person of ordinary
03:44:47 10 skill, from my perspective, is that it has -- he has at
03:44:52 11 least two years of prior experience with image scanning
03:44:58 12 technology involving the transfer to and the processing of
03:45:03 13 image data at a server.

03:45:05 14 Q. Mr. Saffici, do you qualify under that standard?

03:45:13 15 A. I believe I do.

03:45:14 16 Q. Okay. And did you use your experience as one of skill
03:45:17 17 in the art as you did your work in this case?

03:45:20 18 A. I did.

03:45:21 19 Q. Okay. I want to now switch to what things you
03:45:25 20 considered in doing your work in this case. What are the
03:45:26 21 materials you looked at in doing your work?

03:45:26 22 A. Right. So naturally, we need to start with the USAA
03:45:29 23 patents, '605 and '681, along with their file history. And
03:45:34 24 we've heard, I think, a little bit of that already.

03:45:37 25 Second then is when you're looking to -- for

03:45:40 1 anticipation, you look for prior art. We'll be talking a
03:45:43 2 little bit more about what that is.

03:45:45 3 I reviewed depositions of a number of the
03:45:48 4 witnesses in this case.

03:45:49 5 I reviewed a number of documents provided by both
03:45:52 6 parties.

03:45:53 7 And then the last part was the -- the Court
03:45:57 8 provides what's called claim construction, so these are the
03:46:01 9 five majors areas that I used in my analysis.

03:46:04 10 Q. And you mentioned the Court claim construction. Did
03:46:06 11 you apply the Court's claim constructions in your work?

03:46:09 12 A. Yes, I did.

03:46:10 13 Q. Okay. And are those the -- are those the same claim
03:46:13 14 constructions that the jury has in their notebook?

03:46:14 15 A. Yes, I understand it's in their notebook.

03:46:16 16 Q. Okay. And is that what they're going to have to be
03:46:19 17 asked to apply?

03:46:20 18 A. Yes.

03:46:21 19 Q. Before we get into each of your opinions, can you give
03:46:24 20 us an overview of your conclusions as to the asserted
03:46:30 21 claims in the two patents in this case?

03:46:31 22 A. Yes. The result of my analysis from an overall
03:46:34 23 perspective is that the claims of the '605 and the '681
03:46:38 24 patent are invalid.

03:46:40 25 Q. Okay. Specific to the '605 patent, what are your

03:46:43 1 opinions?

03:46:44 2 A. For the '605 patent, I've identified, first, that they
03:46:50 3 are invalid for written description.

03:46:52 4 And, second, they're invalid for anticipation by
03:46:55 5 the Oakes '227 patent.

03:46:59 6 Q. And because the '605 lacks written description, can it
03:47:03 7 maintain its priority date of 2006?

03:47:05 8 A. No, it cannot.

03:47:07 9 Q. What priority date does the '605 have to have?

03:47:09 10 A. It would then have the filing date of the '605.

03:47:13 11 Q. When is that?

03:47:13 12 A. I'm sorry, that's July 28th, 2017.

03:47:18 13 Q. Let's talk about the '681 patent. What were your
03:47:21 14 opinions specific to the '681 patent?

03:47:23 15 A. Right. Specific to the '681 patent, again, I found it
03:47:28 16 invalid for written description. And then, secondarily,
03:47:31 17 for it being anticipated by the Oakes '200 patent.

03:47:35 18 Q. And, Mr. Saffici, same question. Based on your opinion
03:47:40 19 that it -- that the '681 lacks written description, does it
03:47:43 20 maintain its priority date of 2006?

03:47:45 21 A. No, it doesn't. It gets the -- the filing date of July
03:47:49 22 28th, 2017.

03:47:51 23 Q. Before we get into each opinion as to each patent, can
03:47:56 24 you give the jury a high level understanding of the
03:47:59 25 concepts of written description and anticipation, and start

03:48:01 1 with anticipation first, please?

03:48:03 2 A. Right. When -- when a patent is found to be invalid
03:48:08 3 due to anticipation, it says that it's not new. It means
03:48:13 4 that one was able to find what's known as prior art,
03:48:17 5 something that existed prior to the date of the patent, and
03:48:21 6 this prior art is public information. It could be another
03:48:26 7 patent. It could be a system of some sort. It could be
03:48:31 8 publications. If they demonstrate that the claims of a
03:48:36 9 particular patent previously existed --

03:48:39 10 MR. SHEASBY: Your Honor, I object. This is --
03:48:42 11 it's improper for an expert to be instructing the jury on
03:48:44 12 legal standards for applying validity. He can talk about
03:48:51 13 the standard he applied.

03:48:52 14 THE COURT: I can't hear you --

03:48:54 15 MR. SHEASBY: I'm sorry, Your Honor.

03:48:55 16 THE COURT: -- Mr. Sheasby.

03:48:56 17 MR. SHEASBY: I don't think it's an objection -- I
03:48:59 18 don't think it's appropriate for this witness to be
03:49:01 19 instructing the jury on the law.

03:49:03 20 THE COURT: Well, the witness has qualified his
03:49:08 21 testimony by saying that these concepts, as he understands
03:49:14 22 them -- as he understands them, have been presented to him
03:49:17 23 through his consultation with counsel in the case.

03:49:20 24 Mr. Saffici, you understand that no matter what
03:49:24 25 you understand the law to be, nor what the other witnesses

03:49:27 1 in this case may have testified their understanding of the
03:49:30 2 law to be, the jury is going to be bound by my instructions
03:49:33 3 on the law, and the jury is to follow my instructions on
03:49:36 4 what the law is in this case. You understand that?

03:49:38 5 THE WITNESS: I do understand that, Your Honor.

03:49:39 6 THE COURT: All right. With that, the objection
03:49:42 7 is overruled.

03:49:43 8 Q. (By Mr. Johnson) And, Mr. Saffici, had you completed
03:49:49 9 your answer as to describing anticipation?

03:49:52 10 A. Let me just do it real quick just to make sure -- I
03:49:55 11 forgot where I got interrupted.

03:49:57 12 So, again, if something is not new, that means --

03:50:00 13 THE COURT: There's nothing wrong with you being
03:50:03 14 interrupted. That's part of you being up there on the
03:50:04 15 witness stand. And counsel can do it when they think it's
03:50:08 16 necessary, and I can do it, so no -- no implication that
03:50:11 17 there's anything wrong with being interrupted.

03:50:11 18 THE WITNESS: I didn't mean that negatively,
03:50:13 19 Your Honor.

03:50:13 20 THE COURT: Okay. Let's proceed.

03:50:15 21 THE WITNESS: Okay.

03:50:15 22 A. So if -- if a patent is found to be invalid by
03:50:19 23 anticipation, that means that it's not new and it was
03:50:23 24 determined to be not new because something in prior art
03:50:27 25 shows that at least a single element of that patent was

03:50:32 1 found previously.

03:50:35 2 Q. (By Mr. Johnson) Mr. Saffici, I think you said single
03:50:38 3 element. Do you mean single example?

03:50:40 4 A. I'm sorry, single example. I apologize.

03:50:43 5 Q. Okay. And does a piece of prior art, as you understand
03:50:45 6 it, have to include every way of doing a particular
03:50:49 7 invention, or can it invalidate if it has an example of one
03:50:53 8 way?

03:50:53 9 MR. SHEASBY: Your Honor, outside the scope.

03:50:59 10 MR. JOHNSON: Asking his understanding of -- of
03:51:01 11 the standards, Your Honor.

03:51:02 12 THE COURT: Your objection is that this testimony
03:51:04 13 is outside the scope of this expert's report?

03:51:07 14 MR. SHEASBY: Yes, Your Honor.

03:51:07 15 THE COURT: Do you believe there's a basis within
03:51:11 16 the expert's report for this inquiry, Mr. Johnson?

03:51:14 17 MR. JOHNSON: I do, Your Honor.

03:51:15 18 THE COURT: Can you identify that for me?

03:51:20 19 MR. JOHNSON: May we approach, Your Honor?

03:51:21 20 THE COURT: Approach the bench, counsel.

03:51:22 21 (Bench conference.)

03:51:37 22 MR. JOHNSON: In -- the prior art -- in 18 -- that
03:51:39 23 he only needs to find a single prior art reference. And
03:51:43 24 throughout his work he finds a single example of the -- of
03:51:46 25 one way of completing the claims. That is a general

03:51:52 1 purpose computer with a separate camera. That was his
03:51:53 2 basis for anticipation.

03:51:54 3 MR. SHEASBY: Your Honor, I'm -- I'm happy to
03:51:55 4 explain my position. He says that anticipation exists in
03:51:55 5 all of those claims as he found a single prior art
03:52:04 6 reference. Now what he's trying to say --

03:52:04 7 THE COURT: Just a minute.

03:52:06 8 Can you hear us all right, Ms. Holmes?

03:52:06 9 I rustled my papers. I'm sorry.

03:52:14 10 MR. SHEASBY: Now what he's trying to do is, he's
03:52:16 11 trying to say that you only have to find a specific example
03:52:19 12 of an element, not an actual element in prior art reference
03:52:23 13 to -- that's exactly what the question was. So he
03:52:26 14 should -- he should hew exactly to what he said for
03:52:28 15 anticipation.

03:52:29 16 The reason why they're doing this is because
03:52:31 17 they're going to try to argue that they previously admitted
03:52:34 18 that each of the elements of the claims were in the Oakes
03:52:39 19 '227. The standard for anticipation is different from
03:52:42 20 written description. So they're trying to now change his
03:52:44 21 testimony to say, oh, I only meant one embodiment of the
03:52:47 22 claim that's in the '200 and '227. And that's why they're
03:52:50 23 doing this different description of what anticipation
03:52:53 24 means. And he should read directly from what his report
03:52:54 25 was.

03:52:54 1 MR. JOHNSON: Your Honor --

03:52:54 2 THE COURT: Go ahead, Mr. Johnson.

03:52:55 3 MR. JOHNSON: Anticipation only requires one
03:52:57 4 example of one way of -- of completing all the elements of
03:53:02 5 the invention for invalidity. It doesn't require all ways.
03:53:07 6 So a patent, for example --

03:53:09 7 THE COURT: It requires a single prior art
03:53:10 8 reference which sets forth each and every element of the
03:53:13 9 claim.

03:53:13 10 MR. JOHNSON: Yes, Your Honor.

03:53:15 11 THE COURT: Well, I'm not going to require the
03:53:17 12 witness to read from his report.

03:53:21 13 MR. SHEASBY: All I'm asking is that he be --
03:53:23 14 he -- he not change it. This is what he said. It's not
03:53:26 15 one single embodiment of a single element. That's not in
03:53:30 16 his report. That's what I'm trying to say. It should just
03:53:34 17 be what's in his report.

03:53:35 18 THE COURT: I don't think that's what he said, and
03:53:36 19 I don't think that's what the question calls for. And it's
03:53:39 20 certainly something you can address on cross-examination.

03:53:41 21 And if we're going to have continuing trips to the
03:53:44 22 bench to dispute what's in and out of the report, I'll
03:53:47 23 probably end up having to send the jury out every time.
03:53:50 24 And we're going to burn a lot of time in this case doing
03:53:53 25 that.

03:53:53 1 MR. SHEASBY: Thank you, Your Honor.

03:53:54 2 THE COURT: Let's go forward.

03:53:55 3 MR. JOHNSON: Thank you.

03:53:57 4 (Bench conference concluded.)

03:53:57 5 THE COURT: All right. The objection is
03:54:01 6 overruled.

03:54:02 7 Let's proceed.

03:54:05 8 Q. (By Mr. Johnson) Do you remember the question,
03:54:07 9 Mr. Saffici?

03:54:07 10 A. Can you please repeat it?

03:54:09 11 Q. Yes. So does a prior art reference need to disclose
03:54:11 12 every embodiment or every way of doing a particular
03:54:15 13 invention for it to anticipate and invalidate the claims?

03:54:19 14 A. No, it doesn't.

03:54:21 15 Q. Okay. Have you prepared an example for us?

03:54:24 16 A. Yes. Let me walk through this. So if we have a
03:54:27 17 patent, the one on the right dated 2009, if we're trying to
03:54:31 18 examine this for anticipation, we see that this patent and
03:54:37 19 the claims -- remember, the claims are the invention -- it
03:54:41 20 tells us that this invention can be performed in the A
03:54:45 21 way -- I'll use that term -- or the B way.

03:54:45 22 Q. Okay.

03:54:48 23 A. So when looking for anticipation, we look back in time
03:54:52 24 prior to 2009. And in this example here, we find a piece
03:54:58 25 of prior art that demonstrates the A way. It doesn't have

03:55:04 1 the B way in it, but having one of the two qualifies it as
03:55:09 2 anticipating the 2009 patent. Therefore, in this example,
03:55:15 3 it would invalidate the 2009 patent.

03:55:18 4 Q. Now, how is that different from written description in
03:55:21 5 what you're looking at?

03:55:22 6 A. Right. In written description, what would be
03:55:27 7 invalid -- I'm sorry, a patent would be invalid for written
03:55:31 8 description if the scope of the claims are not supported by
03:55:34 9 the specification. So in this case here, we see the claims
03:55:40 10 again say that this invention can be done in either the A
03:55:43 11 way or the B way.

03:55:46 12 The specifications for it, which is the second
03:55:48 13 part of the patent we've seen, the specifications only
03:55:54 14 describe -- excuse me, describe the A way. So because the
03:55:59 15 B way is not described in the specification, the claims
03:56:05 16 would be invalid for written description.

03:56:09 17 Q. Mr. Saffici, are these at a very high level the
03:56:15 18 exercises you performed in this case?

03:56:16 19 A. Yes, that's how I examined these patents.

03:56:20 20 Q. Let's move to your written description opinion.

03:56:25 21 A. Okay.

03:56:25 22 Q. Can you explain, as you look at written description,
03:56:30 23 the two parts of the patent you're looking at, and let's
03:56:32 24 begin with the '605 patent.

03:56:33 25 A. Right. So the -- the little images that you see here

03:56:38 1 are all the pages of the '605 patent that the jury has in
03:56:42 2 their notebook, and when we -- we look at the two major --
03:56:45 3 the two parts of it, the specification, we see this
03:56:52 4 highlighted in blue, and included in that highlight are the
03:56:52 5 figures of the patent. They're part of the specification.

03:56:58 6 And then at the end of the patent, we find the
03:57:02 7 claims. And in this here, they're highlighted in the green
03:57:05 8 color. So this re -- this -- this tells us how the
03:57:10 9 specification is the foundation for the claims.

03:57:15 10 Q. Mr. Saffici -- Saffici, is -- as you understand it, is
03:57:19 11 written description some kind of technicality?

03:57:21 12 A. No, it's not a technicality, but it's important.

03:57:24 13 Q. Why is it important?

03:57:25 14 A. Well, it's important because we want to keep inventors
03:57:28 15 honest about their work. We don't want them to be able to
03:57:33 16 create a patent with new claims and new ideas but not have
03:57:39 17 it supported by the specifications if they were to be using
03:57:43 18 an earlier specification.

03:57:45 19 Q. Let's go back to the '605 specifically.

03:57:48 20 Remind us when the '605 patent was -- was filed?

03:57:53 21 A. It was filed on July 28th of 2017.

03:57:57 22 Q. And when did USAA claim that it invented and disclosed
03:58:02 23 or described the inventions that it wrote new claims on in
03:58:06 24 2017?

03:58:07 25 A. That's October 31st of 2006 in the '227 patent.

03:58:15 1 Q. So about 11 years earlier?

03:58:17 2 A. Yes, that'd be correct.

03:58:19 3 Q. Well, what did USAA do to try to accomplish this?

03:58:24 4 A. Right. So USAA used the specification from the '227
03:58:31 5 patent, which you see on the left, the blue area there, and
03:58:34 6 they used that specification verbatim in the '605 patent
03:58:40 7 that you see on the left, the one that was filed in 2017.

03:58:48 8 Q. Go ahead.

03:58:48 9 A. Okay. I was going to say, but the 2017 patent, the
03:58:54 10 claims section has new claims in it. So --

03:58:58 11 Q. Just --

03:59:00 12 A. I'm sorry.

03:59:00 13 Q. Let me stop you there for a second here.

03:59:02 14 A. Yeah.

03:59:02 15 Q. So the specification that we see, that's all language
03:59:05 16 from 2006?

03:59:06 17 A. That's correct, yes.

03:59:08 18 Q. But these claims are new for 2017?

03:59:15 19 A. That's correct.

03:59:16 20 Q. So is there anything wrong with -- with doing this?

03:59:27 21 A. Well, there's -- there's nothing wrong with what's
03:59:30 22 referred to as reaching back to use a specification from an
03:59:35 23 earlier patent with -- in a new patent.

03:59:40 24 Q. Okay. If the specifications are identical between the
03:59:44 25 2006 and 2017 claims, any differences this jury should be

03:59:49 1 aware -- aware of in the 2 -- in the '605 patent from the
03:59:54 2 2006 specification?

03:59:55 3 A. Well, right, because these are new claims. And, again,
04:00:00 4 as long as they're supported by the specification, that's
04:00:04 5 acceptable. But if they're not, then the patent would fail
04:00:09 6 for written description.

04:00:11 7 Q. And if it fails for written description, what happens
04:00:13 8 to the priority date?

04:00:14 9 A. The priority date would be reset with the date of
04:00:19 10 filing of the '605, being the 2017 date, and not the
04:00:22 11 earlier date from which the specifications came.

04:00:27 12 Q. Now, for written -- your work for written description
04:00:30 13 on the '605 patent, what did you do?

04:00:31 14 A. I looked at the claims to see if the specification
04:00:37 15 provide description of the full scope of those claims. So
04:00:43 16 the arrow here is pointing to the 2006 specification. But,
04:00:47 17 again, it is the same that's in the 2017 specification.

04:00:51 18 Q. So to understand your testimony, does the jury need to
04:00:54 19 look back at that 2006 application?

04:00:56 20 A. No, in their jury notebook is the '605 patent. So if
04:01:00 21 you look at the specification in there, excuse me, it's the
04:01:04 22 specification that was brought forward from the '227
04:01:08 23 patent.

04:01:09 24 Q. Okay. I believe that's Defense Exhibit 4.

04:01:11 25 When you made this comparison of the 2017 claims

04:01:15 1 to the specification of the 2017 patent that had come from
04:01:19 2 the earlier date, what was your conclusion?

04:01:23 3 A. Well, my -- my conclusion is that the specification did
04:01:27 4 not provide description for the full scope of the claims;
04:01:32 5 therefore, the claims would be invalid.

04:01:35 6 Q. Let's look at the specification of the '605 patent.

04:01:40 7 Can you provide us an overview of what is
04:01:44 8 described in the '60 [sic] specification?

04:01:48 9 A. Right. Because both specifications are identical,
04:01:50 10 they're providing description for a general purpose
04:01:55 11 computer -- and we'll talk more about the No. 111 -- and
04:01:59 12 they're talking about a separate image capture device which
04:02:02 13 can be either a flatbed scanner, as you see there, or a
04:02:08 14 camera. And the labeling of it is No. 112, we'll learn
04:02:12 15 more about.

04:02:13 16 Q. Okay. What do the claims for -- and we're going to go
04:02:16 17 specifically to the claims next, but what do the claims in
04:02:22 18 the 2017 patent cover?

04:02:25 19 A. So the claims provide both the general purpose computer
04:02:28 20 with a separate device, as well as a mobile device with a
04:02:33 21 digital camera. So it's showing two ways that the patent
04:02:38 22 would meet its invention.

04:02:40 23 Q. Okay. Is mobile device sometimes referred to in the
04:02:43 24 claims as a portable device?

04:02:45 25 A. Yes, that's correct.

04:02:46 1 Q. And is there support for either mobile device with a
04:02:53 2 camera together or a portable device with a camera together
04:02:59 3 in the single unit?

04:03:00 4 A. No, the specifications do not support that.

04:03:05 5 Q. Okay. Is that -- well, Mr. Saffici, let's dig into the
04:03:11 6 claims.

04:03:11 7 For the '605 patent, Claim 1, let's look at that
04:03:15 8 first.

04:03:15 9 A. Right.

04:03:15 10 Q. What do we see here in Claim 1 of '605?

04:03:19 11 A. Well, Claim 1 is telling us that there's a portable
04:03:26 12 device, and it can control the digital camera -- pardon me.

04:03:31 13 Q. Mr. Saffici, do you need to get some water?

04:03:33 14 A. I do have water. One second.

04:03:36 15 And I guess right above that, it tells us about a
04:03:41 16 digital camera or the image capture processing and the --
04:03:45 17 well, and the rest. But the digital camera is the primary
04:03:48 18 part of it.

04:03:51 19 Q. What does Claim 1 say about having the digital camera
04:03:57 20 as a separate stand-alone device versus a device that
04:04:02 21 resides with the general purpose computer?

04:04:04 22 MR. SHEASBY: Your Honor, objection. This relates
04:04:06 23 to the subject we discussed in chambers.

04:04:12 24 MR. JOHNSON: May we approach, Your Honor?

04:04:13 25 THE COURT: Approach the bench.

04:04:14 1 (Bench conference.)

04:04:28 2 THE COURT: We've been over this multiple times.
04:04:30 3 This written description defense needs to focus on what the
04:04:35 4 specification says, not what the claims mean.

04:04:38 5 And I've heard nothing to tell this jury out of
04:04:44 6 this witness yet that this is a claim-by-claim analysis.
04:04:47 7 All I've heard is claims, plural, implying that they all
04:04:53 8 rise and fall together. And I think that's a problem.

04:04:55 9 MR. JOHNSON: Yes, Your Honor.

04:04:56 10 THE COURT: And it needs to get corrected, or I
04:04:59 11 may have to correct it.

04:05:00 12 MR. JOHNSON: Yes, Your Honor. I intend to go
04:05:03 13 through the other claims which have a similar setup. And
04:05:05 14 the reason that I'm doing it in this way is Claim 1 is
04:05:09 15 broad enough to encompass both the circumstance where the
04:05:14 16 general purpose computer and image capture device reside in
04:05:17 17 a single device or are separate.

04:05:20 18 Mr. Calman agreed with that in Paragraph 245 of
04:05:23 19 his report, and we know that from --

04:05:25 20 THE COURT: Mr. Calman has not testified, and his
04:05:28 21 report is not in evidence.

04:05:29 22 MR. JOHNSON: Yes, Your Honor. But the patents
04:05:30 23 are in evidence. And if we look at the patents, Claim 1 is
04:05:33 24 silent about whether they are together or separate.

04:05:37 25 But Claim 4, and I'm -- I'm hesitant -- I was

04:05:40 1 going to approach the bench before I got there, but
04:05:42 2 Claim 4, which is an unasserted claim, is a dependent claim
04:05:46 3 that says the devices of Claim -- or the system of Claim 1,
04:05:50 4 wherein the device -- the image capture device or camera is
04:05:53 5 separate.

04:05:54 6 So we know that Claim 1 is broad enough to
04:05:56 7 encompass both the circumstance where the camera is
04:06:00 8 together with the general purpose computer and separate
04:06:03 9 through claim differentiation.

04:06:05 10 I don't want to do that in front of the jury. And
04:06:08 11 my understanding is that was never disputed in this
04:06:10 12 litigation. But that's the broad -- that's the breadth of
04:06:13 13 the claims. And then once the breadth is set, then the
04:06:16 14 question becomes, does the scope of the -- does the scope
04:06:20 15 of the specification support the full scope of that
04:06:25 16 breadth?

04:06:25 17 MR. SHEASBY: Your Honor, a couple issues. One,
04:06:27 18 Claim 4 is not in the case. It's been dropped. It's a
04:06:30 19 violation of the MIL.

04:06:33 20 Two, he should not be talking about any claim
04:06:37 21 differentiation because that's a tool that's used for claim
04:06:40 22 construction. The claim says what the claim says. If he
04:06:42 23 wants to talk about why those specifications don't appear
04:06:46 24 in the specification, he can. But to say tell me what the
04:06:48 25 claim means, tell me what the claim is describing is just

04:06:51 1 not appropriate.

04:06:53 2 THE COURT: I agree. That calls for this witness
04:06:54 3 to engage in additional claim construction.

04:06:57 4 MR. JOHNSON: And I'm --

04:06:58 5 THE COURT: I mean, perhaps it may be the way the
04:07:00 6 question is being asked, but it's asking the witness to
04:07:03 7 construe the claims for the jury. Tell -- tell us what
04:07:06 8 this means.

04:07:07 9 MR. JOHNSON: Your Honor -- I mean, this is in his
04:07:09 10 report, and this was a joined issue with Mr. Calman in the
04:07:13 11 litigation. That claim -- and for which there was no
04:07:16 12 dispute.

04:07:16 13 Claim 1 was broad enough to read on devices where
04:07:20 14 the camera is separate and devices where the separate --
04:07:23 15 where the camera is included. And, therefore, it's both.
04:07:29 16 It covers both. And that scope --

04:07:31 17 THE COURT: Well, you may be able to establish
04:07:34 18 that as long as you hew to the language of his report. But
04:07:39 19 when you begin a question with, tell the jury what this
04:07:42 20 claim means, that is asking for an improper opinion. It's
04:07:48 21 asking for this witness to engage in claim construction.

04:07:52 22 So I'm not -- I'm not saying you can't get to
04:07:54 23 where you want to get to. I think you're going down the
04:07:57 24 wrong path to get there.

04:07:59 25 MR. SHEASBY: And to be clear for the record, this

04:08:01 1 claim covers lots of things. It covers connected things,
04:08:04 2 unconnected things. This arbitrary distinction of saying
04:08:08 3 it's either an integrated or non-integrated camera
04:08:12 4 versus -- they're trying to narrow the claim.

04:08:15 5 THE COURT: As long as they present their evidence
04:08:17 6 through this witness consistent with his report, you'll
04:08:21 7 have to address that in cross-examination. I'm not going
04:08:24 8 to constrain the Defendant from presenting its defense, but
04:08:27 9 I'm not going to sanction the Defendant asking the witness
04:08:30 10 for what's prefaced to be a claim construction opinion.

04:08:34 11 MR. JOHNSON: Your Honor, how would you like me to
04:08:38 12 handle -- I mean, it is -- obviously, I do not want to put
04:08:42 13 Dependent Claim 4 up before the jury to show that it is a
04:08:44 14 separate device. I think as a matter of law --

04:08:48 15 THE COURT: We don't want to -- we don't want to
04:08:50 16 put non-asserted claims before this jury.

04:08:53 17 MR. JOHNSON: But he's putting me in that box by
04:08:55 18 saying I can't prove -- when the patent itself proves that
04:08:58 19 Claim 1 is broad enough to encompass circumstances where
04:09:02 20 the camera is both separate and --

04:09:04 21 THE COURT: Does this man say in his report that
04:09:06 22 they're broad enough?

04:09:07 23 MR. JOHNSON: He does.

04:09:08 24 THE COURT: Then ask him that question, but follow
04:09:10 25 the report. That's your safe path, okay?

04:09:14 1 MR. JOHNSON: Thank you, Your Honor.

04:09:14 2 THE COURT: Let's proceed.

04:09:22 3 (Bench conference concluded.)

04:09:25 4 THE COURT: Let's proceed.

04:09:33 5 Q. (By Mr. Johnson) Mr. Saffici, did you analyze as a
04:09:36 6 part of your report whether the digital camera mentioned in
04:09:43 7 Claim 1 must be either separate from the portable device
04:09:50 8 general purpose computer or could be together within this
04:09:53 9 claim?

04:09:55 10 A. This claim -- I -- I feel as though -- or not feel -- I
04:09:59 11 determined that this is written in a broad manner that
04:10:02 12 allows for it to be either separate or combined.

04:10:12 13 MR. JOHNSON: And can we look at -- now can we
04:10:15 14 look at Claim 12?

04:10:24 15 Q. (By Mr. Johnson) Mr. Saffici, did you analyze Claim 12
04:10:29 16 as a part of your work in this case?

04:10:31 17 A. Yes, each of the claims.

04:10:32 18 Q. Okay. What does Claim 12 speak of in terms of camera
04:10:36 19 and handheld mobile device?

04:10:38 20 A. This tells us that the customer's own handheld mobile
04:10:43 21 device with a digital camera.

04:10:45 22 Q. Okay. And did you analyze whether this claim, as one
04:10:49 23 of skill in the art, requires that the camera be separate
04:10:53 24 or requires that the camera -- or allows for the camera to
04:10:57 25 be a part of the same device?

04:10:59 1 A. Likewise, the same way --

04:11:01 2 MR. SHEASBY: Objection.

04:11:02 3 THE COURT: Just a minute. Just a minute.

04:11:04 4 Do you have an objection?

04:11:05 5 MR. SHEASBY: Same objection, Your Honor, that we
04:11:06 6 just had the bench conference regarding what the claim
04:11:13 7 requires.

04:11:17 8 THE COURT: Are you contesting, Mr. Sheasby,
04:11:19 9 whether this is within the scope of the witness's report?

04:11:21 10 MR. SHEASBY: I'm contesting the language that's
04:11:25 11 used to describe it this way. I think the way that was
04:11:30 12 previously used was inappropriate, not using the word
04:11:36 13 "required."

04:11:36 14 THE COURT: Overruled.

04:11:38 15 Let's -- you may answer the question now,
04:11:41 16 Mr. Saffici.

04:11:41 17 A. Yes. In this Claim 12, an independent claim, I find
04:11:46 18 this to be written in the same manner that it could be
04:11:49 19 taken as either together or separate.

04:11:55 20 Q. (By Mr. Johnson) Now, are Claim 1 and Claim 12 the
04:11:58 21 only independent claims at issue in the '605?

04:12:02 22 A. Let me -- let me get my recollection of -- I don't
04:12:06 23 recall if this is the one that has another independent
04:12:09 24 claim -- or independent -- yeah, claim. Yes, 1 -- 1 and 12
04:12:27 25 are the two independent claims.

04:12:31 1 Q. And so are all of the remaining claims in the '605
04:12:35 2 patent dependent upon Claim 1 or Claim 12?

04:12:38 3 A. Yes. That's the nature of a dependent claim, to work
04:12:42 4 with its independent claim and take all the limitations of
04:12:46 5 it.

04:12:46 6 Q. Did you analyze those dependent claims in light of what
04:12:50 7 they would allow for, in terms of placement of the camera
04:12:54 8 separately or together?

04:12:55 9 A. Yes, I did.

04:12:57 10 Q. And are they -- do they come out the same way as the
04:13:02 11 independent claims that they depend from, Claims 1 and
04:13:05 12 Claim 12?

04:13:06 13 A. Say that again, please.

04:13:13 14 Q. Did -- was your analysis the same for the dependent
04:13:13 15 claims of Claim 1 -- because it incorporates Claim 1, is it
04:13:17 16 also -- does it also allow for the camera to be either
04:13:20 17 separate or together with the portable device?

04:13:24 18 A. Okay. I understand your question. No, for example, in
04:13:26 19 Claim 4 --

04:13:28 20 Q. No, no, no, Mr. Saffici.

04:13:29 21 A. Oh, oh.

04:13:30 22 Q. Only the asserted claims in the case, sir. Are all of
04:13:35 23 the remaining dependent claims of Claim 1 that are asserted
04:13:38 24 in the case, do these have a similar -- similar analysis --

04:13:44 25 A. Oh, yes. I'm sorry. They do, yes.

04:13:47 1 Q. Okay. And for Claim 12, do the claims that depend from
04:13:52 2 it, the dependent claims, do they also allow for the camera
04:13:59 3 to be either separate or together with the handheld device?

04:14:02 4 A. They allow for both.

04:14:04 5 Q. Mr. Saffici, do -- so in order for the written
04:14:27 6 description support analysis to be completed, do you next
04:14:32 7 look at the specification?

04:14:33 8 A. Yes, that's correct.

04:14:34 9 Q. And what must be true of the specification in this
04:14:37 10 case?

04:14:37 11 A. In this case, the specification would need to provide a
04:14:42 12 description for both ways, meaning the computer -- the
04:14:48 13 general purpose computer with separate capture device, as
04:14:53 14 well as --

04:14:54 15 MR. SHEASBY: Your Honor, objection. That is --
04:14:56 16 that is a statement of the law for the Court to instruct
04:14:58 17 on, not for this witness.

04:15:05 18 THE COURT: He's testified in his opinion that the
04:15:10 19 claims allow -- at least that particular claim allows both
04:15:14 20 ways. He can testify that the specification would need to
04:15:18 21 provide a description and support for that. Going beyond
04:15:23 22 that, which is where he is now, is improper.

04:15:25 23 So I'll sustain the objection beyond the portion
04:15:31 24 of the answer where the witness says: In this case, the
04:15:35 25 specification would need to provide description for both

04:15:38 1 ways, meaning the computer -- the general purpose computer
04:15:44 2 with separate -- no. In this case the specification would
04:15:47 3 need to provide a description for both ways. I'll accept
04:15:50 4 that as an appropriate answer, and I'll strike the
04:15:53 5 remainder of it.

04:15:54 6 MR. SHEASBY: Thank you, Your Honor.

04:15:55 7 THE COURT: Let's proceed.

04:15:56 8 MR. JOHNSON: Thank you, Your Honor.

04:15:57 9 Q. (By Mr. Johnson) Mr. Saffici, what is actually
04:16:06 10 disclosed -- let's look at the specification.

04:16:09 11 Okay. Now, is this the specification of the '605
04:16:17 12 patent, Column 6, that you've used in your analysis?

04:16:19 13 A. Yes, it is.

04:16:20 14 Q. Column 6, Lines 27 through 38?

04:16:26 15 A. That's correct.

04:16:26 16 Q. Tell me -- tell the jury, please, what this -- to you
04:16:31 17 as one of skill in the art, what is this section of the
04:16:35 18 specification discussing?

04:16:36 19 A. So this -- this language here is talking about
04:16:38 20 something called Figure 1. And the yellow highlight is
04:16:42 21 telling us that in Figure 1, it tells -- it describes a
04:16:46 22 computer. And it's labeled as 111. And it also tells us
04:16:52 23 about an image capture device labeled 112.

04:16:56 24 And it tells us about those two -- this -- in the
04:17:00 25 description there, it's showing us that they're separate.

04:17:03 1 Q. Okay.

04:17:03 2 A. Now --

04:17:04 3 Q. What about this section of the specification indicates
04:17:07 4 to you that they are separate devices?

04:17:09 5 A. Right. The fact that it says that the computer can
04:17:14 6 contain software that allows the user to control certain
04:17:17 7 operations of the image capture device from the computer.

04:17:22 8 So, again, showing separation of the two. And
04:17:27 9 then further below, it talks about the software that's
04:17:31 10 shipped with the digital cameras allowing for images to be
04:17:35 11 moved from the camera to the computer, again, illustrating
04:17:39 12 that the two units are separate.

04:17:42 13 Q. Is that the sentence at Line -- I'm sorry, we don't
04:17:45 14 have the lines on here.

04:17:47 15 A. Right.

04:17:47 16 Q. Beginning: Similarly, digital cameras often ship with?

04:17:51 17 A. Yes.

04:17:51 18 Q. Or ship along with.

04:17:53 19 Okay. Does it give us some examples of image
04:17:59 20 capture devices 112 in this section of the specification?

04:18:00 21 A. Yes. I'm sorry. The digital camera up here -- I was
04:18:09 22 looking -- yeah, the digital camera is an example of the
04:18:12 23 image capture device, as well as a scanner on the above
04:18:16 24 line.

04:18:18 25 Q. Does it describe those as separate devices from the

04:18:22 1 general purpose computer?

04:18:23 2 A. Yes. Going back to the original yellow highlighted
04:18:27 3 area that I identified.

04:18:28 4 Q. Let's -- you mentioned that this is describing
04:18:34 5 Figure 1. Let's look at Figure 1 of the patent.

04:18:38 6 MR. JOHNSON: Your Honor, may I have just a
04:18:40 7 moment?

04:18:40 8 THE COURT: You may have a moment.

04:18:41 9 MR. JOHNSON: Thank you.

04:18:54 10 Q. (By Mr. Johnson) Mr. Saffici, what are we looking at
04:18:57 11 here?

04:18:57 12 A. Well, this portion of Figure 1 is showing us the two
04:19:01 13 components, the general purpose computer highlighted in
04:19:05 14 yellow depicted on top of a table with an individual, the
04:19:09 15 account owner, sitting there. And then it also shows us an
04:19:16 16 image capture device, the blue numbered 112. And it
04:19:19 17 depicts those as two separate devices.

04:19:22 18 Q. So is this picture consistent with the discussion we
04:19:26 19 looked at in the prior column of -- Column 6 of the
04:19:32 20 specification that these are treated as separate devices?

04:19:34 21 A. Yes, it corresponds with the language from Claim --
04:19:37 22 from the specification.

04:19:37 23 Q. Now, sir, couldn't the connection between 111 and 112
04:19:42 24 just be internal?

04:19:44 25 A. Well, there's nothing here that shows that, either in

04:19:47 1 the picture or in the specification.

04:19:49 2 Q. What about in the context of the entire specification?

04:19:52 3 A. In the context of the entire specification, I do not
04:19:56 4 find that.

04:19:56 5 Q. What does that mean -- what did you conclude from your
04:20:02 6 analysis of the specification as compared to Independent
04:20:08 7 Claim 1, Independent Claim 12, and the dependent claims
04:20:11 8 that have incorporated those two independent claims?

04:20:15 9 A. My analysis is that the specification does not provide
04:20:21 10 full -- description for full support -- scope, I'm sorry,
04:20:24 11 of the claims.

04:20:27 12 Q. And what does that mean for the priority date of the
04:20:31 13 '605 patent?

04:20:31 14 A. Right. So by the claim -- by it invalidating -- by
04:20:36 15 that analysis invalidating the claims, it means that the
04:20:38 16 priority date of the patent becomes the file date of July
04:20:42 17 28th, 2017.

04:20:44 18 Q. Now, as a part of preparing this case, has USAA
04:20:48 19 identified where it contends there is written description
04:20:52 20 support in the specification for a mobile device with a
04:21:00 21 camera and a single device or a portable device with a
04:21:02 22 camera and a single device, as those terms are used in the
04:21:05 23 claims?

04:21:05 24 A. Yes, they did.

04:21:06 25 Q. Okay. How did they do that?

04:21:09 1 A. So as part of patent suit process, early on in the
04:21:15 2 process, there's a period called discovery. At that time,
04:21:20 3 Wells Fargo asks a number of questions of USAA, one of
04:21:25 4 which was about written description. And USAA responded in
04:21:30 5 something that's called an interrogatory response to the
04:21:34 6 questions that were asked of them.

04:21:36 7 Q. And did you review that USAA response as a part of
04:21:44 8 creating your report in this case?

04:21:45 9 A. Yes, I did.

04:21:45 10 Q. And what did USAA identify or point to in its response
04:21:48 11 as where it believes written description exists for
04:21:53 12 portable device with a camera or mobile device with a
04:21:56 13 camera in a single unit?

04:21:57 14 A. All right. So as I read through the interrogatory
04:22:00 15 response, I grouped the response into these four categories
04:22:04 16 that that was -- that was related to USAA's response on
04:22:08 17 written description.

04:22:13 18 The first is a reference to laptop configuration.

04:22:16 19 The second is a reference to PDAs in the
04:22:18 20 specification.

04:22:18 21 The third is the file history of the patents.

04:22:21 22 And the fourth was several other references that I
04:22:26 23 just grouped together because I didn't find them in the
04:22:30 24 specification.

04:22:30 25 Q. Let's look at what USAA points to one at a time.

04:22:35 1 First of all, let's look at Column 3, Line 65,
04:22:39 2 through Column 4, Line 1, of the '605 patent. Are you with
04:22:44 3 me?

04:22:45 4 A. Yes, I am.

04:22:46 5 Q. Okay. Is this the area that USAA -- the area of the
04:22:50 6 specification that USAA pointed to for written description
04:22:54 7 support?

04:22:55 8 A. Yes. This is the first one where they identify laptop
04:22:58 9 configuration as being support.

04:23:01 10 Q. What is this describing to you as one of skill in the
04:23:05 11 art?

04:23:05 12 A. Well, if we look at the beginning of -- of the line
04:23:08 13 here, it's describing a general purpose computer, that
04:23:12 14 yellow highlighted No. 111 that we saw in Figure 1. And it
04:23:16 15 says that it may be a desktop or a laptop. Hopefully, we
04:23:23 16 all understand a desktop typically to be where you have a
04:23:26 17 number of components, a monitor, keyboard, et cetera.
04:23:30 18 Whereas a laptop would be more in one -- one unit, if you
04:23:34 19 will.

04:23:35 20 Q. And does -- specifically for this patent specification,
04:23:41 21 does this section have any reference to the image capture
04:23:47 22 device 112 or a digital camera?

04:23:48 23 A. No, there's nothing mentioned in this section.

04:23:52 24 Q. So what is this saying about the general purpose
04:23:58 25 computer 111?

04:23:58 1 A. Well, it's telling us it could have one of two form
04:24:02 2 factors. As I mentioned, the desktop or the laptop form
04:24:07 3 factor.

04:24:07 4 Q. In the context of the patent and this specification as
04:24:12 5 one of skill in the art, would you have understood laptop
04:24:14 6 to mean with a camera?

04:24:16 7 A. No, I wouldn't understand it that way.

04:24:19 8 Q. And does the -- does the specification specifically
04:24:23 9 describe cameras and image capture devices as an entirely
04:24:27 10 separate device 112?

04:24:28 11 A. I'm sorry, please say that again, Mr. Johnson.

04:24:31 12 Q. Does the specification specifically describe cameras or
04:24:33 13 the image capture device as an -- as a separate device 112?

04:24:37 14 A. Yes, it does, just not right at this section.

04:24:40 15 Q. So does this in -- in your opinion, does this provide
04:24:45 16 written description support for the claims we've been
04:24:49 17 discussing?

04:24:49 18 A. In my opinion, it does not.

04:24:51 19 Q. What is the next section of the specification that USAA
04:24:55 20 identifies?

04:24:56 21 A. It's where they talk about PDAs.

04:24:58 22 Q. Okay. What are PDAs?

04:25:01 23 A. PDA stands for a personal digital assistant. I think
04:25:07 24 we've talked a little bit about it earlier in the trial
04:25:10 25 here. These are some of the early handheld-type devices

04:25:14 1 that were used primarily for maybe keeping track of phone
04:25:18 2 numbers and calendars. Some of them had phones built into
04:25:22 3 them back in the -- again, we're always talking about 2006
04:25:25 4 and prior.

04:25:26 5 Q. How many times are PDAs mentioned in the '605
04:25:29 6 specification?

04:25:30 7 A. They're only mentioned twice.

04:25:32 8 Q. Okay. Same page?

04:25:33 9 A. Yes, we see the page highlighted here.

04:25:40 10 MR. JOHNSON: Can we go to Column 8, Lines 3
04:25:43 11 through 17 of the '605 patent.

04:25:45 12 Q. (By Mr. Johnson) Is this the first place that USAA
04:25:50 13 pointed to where PDAs were mentioned?

04:25:56 14 A. Yes, this is the first place.

04:25:56 15 Q. As one of skill in the art, can you tell us, what is
04:25:58 16 this describing in this portion of the specification at
04:26:00 17 Column 8, Lines 3 through 17?

04:26:02 18 A. Right. This is a -- where they're starting -- the
04:26:06 19 specification is starting to talk about Figure 4, another
04:26:10 20 one of the figures in the past. And it basically is
04:26:12 21 telling us that this figure is a diagram of an exemplary
04:26:17 22 network or distributed computing environment.

04:26:19 23 I know it's a lot of words there, but we'll see a
04:26:22 24 picture of it in a minute. But a network is something that
04:26:26 25 is how data -- or, I'm sorry, how devices can be connected

04:26:30 1 to it.

04:26:32 2 For example, if you went into a Starbucks and you
04:26:36 3 had your laptop or just even your phone, you could connect
04:26:39 4 on to their WiFi network. That would be an example of how
04:26:43 5 devices can plug into a network.

04:26:45 6 But it's telling us about these various devices
04:26:48 7 and these numbers. You'll see them on the figure. But
04:26:51 8 down here in the yellow highlighted area, it's telling us
04:26:54 9 that --

04:26:56 10 Q. There --

04:26:56 11 A. Oh, I'm sorry.

04:26:57 12 Q. Mr. Saffici, hold on just a moment.

04:26:57 13 A. My apologies, sorry.

04:26:59 14 Q. Can you talk about the yellow highlighted area?

04:27:02 15 A. Yes, I was just going there.

04:27:04 16 So at this portion in the specification, after
04:27:07 17 it's told us about some of these other devices, it tells us
04:27:11 18 that there are some others that can be added on to the
04:27:14 19 network, and it describes PDAs, audio/video devices, MP3
04:27:21 20 players, personal computer, and then other.

04:27:24 21 Q. Okay. So, again, how does the PDA referenced here and
04:27:35 22 relied on by USAA relate to network in Figure 4?

04:27:38 23 A. My read of this is that it's a type of device that can
04:27:46 24 be connected into the network.

04:27:48 25 Q. Does this say one way or the other whether the PDA has

04:27:52 1 a camera as a part of the device or not?

04:27:54 2 A. There's no mention of that here.

04:27:56 3 Q. Okay. In this area of the specification, does it
04:28:01 4 relate PDAs to taking pictures of checks or check
04:28:08 5 processing?

04:28:08 6 A. No, there's no mention of that.

04:28:12 7 Q. You mentioned Figure 4?

04:28:17 8 MR. JOHNSON: Mr. Goodin, can we look at Figure 4?

04:28:22 9 Q. (By Mr. Johnson) Is this the picture of the network
04:28:24 10 you were talking about?

04:28:24 11 A. Yes, it is. The network is described in the middle
04:28:26 12 there with the No. 470, and then you'll see these little --
04:28:29 13 we call them lightning bolts. That's the way the devices
04:28:33 14 would electronically connect to the network.

04:28:36 15 So among this network are the devices you see
04:28:39 16 here, some not shown with a particular icon. But when
04:28:43 17 going back to the prior part of the specification, this is
04:28:45 18 where it means that a PDA or an MP3 player or some of the
04:28:51 19 others that it mentioned could be dropped into the network.

04:28:55 20 Q. Mr. Saffici --

04:28:55 21 THE COURT: Just a minute, Mr. Saffici, the
04:28:58 22 question Mr. Johnson asked you was, is this a picture of
04:29:02 23 the network?

04:29:03 24 THE WITNESS: Oh.

04:29:03 25 THE COURT: And then you described the network.

04:29:05 1 So rather than tell us how to build a watch when somebody
04:29:07 2 asks you what time it is, just tell them what time it is,
04:29:10 3 and then they can follow it up with additional questions.

04:29:13 4 THE WITNESS: Understood, Your Honor.

04:29:14 5 THE COURT: Try to limit your answers to the
04:29:18 6 questions asked.

04:29:18 7 Let's proceed.

04:29:19 8 MR. JOHNSON: Thank you, Your Honor.

04:29:21 9 Q. (By Mr. Johnson) Now, you mentioned MP3 players, what
04:29:25 10 are those?

04:29:25 11 A. If we think about the iPod when that was out years ago,
04:29:28 12 it's a device that will play sound whether it's music or
04:29:32 13 other audio type files.

04:29:34 14 Q. Is it treated in the specification the same way as a
04:29:37 15 PDA?

04:29:37 16 A. It appeared right there in that same area with it, yes.

04:29:41 17 MR. JOHNSON: Let's look at Column 8, Lines 27 to
04:29:45 18 34.

04:29:46 19 Q. (By Mr. Johnson) Okay. Is this the other place in the
04:29:48 20 specification that mentions PDAs that USAA pointed to?

04:29:50 21 A. Yes, it is. This is the second identification of PDA.

04:29:54 22 Q. Can you give us the context of what is related here at
04:29:59 23 Column 8, Lines 27 to 34?

04:30:01 24 A. Right. Well, this is just a little bit further down
04:30:05 25 from the -- in the specification from the other reference

04:30:09 1 of PDA. So it's still within the context of Figure 4, and
04:30:14 2 here it's talking further about devices that can be
04:30:18 3 ultimately connected.

04:30:19 4 And here, it identifies various digital devices,
04:30:25 5 such as PDAs, again, televisions, MP3 players and others.

04:30:32 6 Q. Is -- is there any indication here that there are --
04:30:37 7 that the image capture device or an image capture device or
04:30:40 8 camera is a part of any of these devices?

04:30:43 9 A. I don't see any indication of that here.

04:30:46 10 Q. And when you read PDA here, did that immediately call
04:30:50 11 to mind something with a camera?

04:30:55 12 A. No, it didn't.

04:30:56 13 Q. Does this section discuss how a PDA or any of the other
04:31:01 14 devices might relate to check imaging or depositing?

04:31:05 15 A. No, they don't.

04:31:06 16 Q. So, in your opinion, as one of skill in the art, does
04:31:09 17 this section provide written support as USAA contends?

04:31:15 18 A. No, it doesn't.

04:31:17 19 Q. Mr. Saffici, I think you said the next thing that
04:31:23 20 the -- was in USAA's response was the file history?

04:31:25 21 A. That's correct.

04:31:26 22 Q. Did you look at the file history of the '605 patent and
04:31:31 23 '681 patents?

04:31:31 24 A. Yes, I did.

04:31:36 25 Q. And remind us what the file history is.

04:31:40 1 A. So a file history, or we also heard it referred to as
04:31:44 2 prosecution history, which is probably the more correct
04:31:48 3 term, it begins at the time when a file app -- a patent
04:31:54 4 application is filed. So the patentee, in this case USAA,
04:31:58 5 is filing a patent with the Patent Office.

04:32:02 6 Every piece of correspondence that occurs
04:32:06 7 throughout the life of the -- from the filing time all the
04:32:11 8 way through to the granting of the patent, however many
04:32:16 9 years that might be, any correspondence that goes back and
04:32:20 10 forth between the patentee and the Patent Office is all
04:32:23 11 documented in the prosecution history, that process being
04:32:27 12 referred to as the prosecution of the patent.

04:32:30 13 Q. Remind us, again, from the patent video, does the
04:32:37 14 prosecution between the patentee and the Patent Office, is
04:32:37 15 that a public or a private setting or proceeding?

04:32:39 16 A. As -- as we would have seen -- as we saw in the patent
04:32:42 17 video, it tells us that it is a private event. It's just
04:32:47 18 between the patentee and the Patent Office.

04:32:50 19 Q. Okay. So someone like yourself with -- with 53 years
04:32:54 20 of check processing experience or someone like Wells Fargo
04:32:58 21 who's accused of infringing patents, do they have the
04:33:02 22 opportunity in that patent prosecution process to be heard?

04:33:05 23 A. No, they do not.

04:33:08 24 MR. SHEASBY: Your Honor, may we approach?

04:33:10 25 THE COURT: Approach the bench.

04:33:11 1 (Bench conference.)

04:33:18 2 THE COURT: What's your objection?

04:33:19 3 MR. SHEASBY: Your Honor, I believe that the door
04:33:21 4 to the CBM process has just been opened. They now
04:33:24 5 emphasized that Wells Fargo repeatedly has not had the
04:33:28 6 opportunity to be heard.

04:33:29 7 Wells Fargo had the opportunity to be heard on
04:33:31 8 this exact written description issue. It's happened
04:33:34 9 multiple times, and I would request the opportunity to
04:33:36 10 establish this with Mr. Saffici that Wells Fargo did
04:33:39 11 present its written description argument to the PTO.

04:33:43 12 MR. JOHNSON: Your Honor, I do not believe a
04:33:45 13 general discussion about the patent process, is it a
04:33:48 14 private or public proceeding, do people get to weigh in on
04:33:50 15 it, opens the door in any way. It repeated basically what
04:33:53 16 the patent video says. That's why the patent video is
04:33:56 17 there, that people from industry do not participate.

04:33:58 18 THE COURT: All right. This is much the same
04:34:00 19 scenario that we had earlier in the day where perhaps there
04:34:04 20 is a good argument that Defendants opened the door, but the
04:34:07 21 remedy you've requested is disproportionately harsh and
04:34:12 22 prejudicial.

04:34:12 23 For me to allow you to tell the jury that the CBM
04:34:17 24 petition has been filed and denied and the Patent Office,
04:34:20 25 through that process, has determined there is no written

04:34:23 1 description defense, would be very disproportionately
04:34:28 2 prejudicial to the Defendant in light of that brief
04:34:32 3 reference at the end of the question about, you haven't had
04:34:35 4 a part of this process nor has Wells Fargo, Mr. Saffici.
04:34:39 5 I'm not going to grant that kind of a disproportional
04:34:45 6 punishment.

04:34:45 7 MR. SHEASBY: May I make a suggestion, Your Honor?

04:34:46 8 THE COURT: If you have something more reasonable,
04:34:48 9 I'm open to it.

04:34:50 10 MR. SHEASBY: So two things. One, I think I would
04:34:52 11 request that the jury be instructed that -- to disregard
04:34:56 12 the statement that Wells Fargo had the opportunity -- did
04:34:59 13 not have the opportunity to challenge this. I think at a
04:35:02 14 minimum, that would be -- and -- and my preferred
04:35:07 15 instruction would be that these issues were before the
04:35:09 16 Patent Office, but you will have to consider them
04:35:11 17 separately.

04:35:13 18 MR. JOHNSON: Your Honor, I think that is still
04:35:15 19 too prejudicial. I would ask for an instruction that just
04:35:18 20 says the jury should disregard the statement as to Wells
04:35:20 21 Fargo --

04:35:20 22 THE COURT: I'll do that, but that's all I'm going
04:35:22 23 to do.

04:35:23 24 MR. JOHNSON: Thank you, Your Honor.

04:35:24 25 THE COURT: Wait a minute, where are you as far as

04:35:26 1 direct with this witness, Mr. Johnson?

04:35:28 2 MR. JOHNSON: I would guess --

04:35:33 3 THE COURT: Time-wise.

04:35:33 4 MR. JOHNSON: I would guess 15 to 20 minutes, max.

04:35:35 5 THE COURT: All right. We may take a short
04:35:37 6 recess.

04:35:38 7 MR. JOHNSON: That's fine, Your Honor.

04:35:39 8 MR. SHEASBY: I did want to flag, my cross is
04:35:40 9 going to be approximately two hours.

04:35:43 10 THE COURT: Two hours?

04:35:45 11 MR. SHEASBY: Yes, Your Honor.

04:35:45 12 THE COURT: Then we'll definitely take a recess.

04:35:49 13 (Bench conference concluded.)

04:35:53 14 THE COURT: All right. Ladies and gentlemen of
04:35:54 15 the jury, with regard to the last question and answer of
04:35:58 16 this witness by Defense counsel, you should disregard any
04:36:04 17 portion of that question and answer that indicated Wells
04:36:07 18 Fargo did not have an opportunity to be before the Patent
04:36:09 19 Office.

04:36:09 20 The remainder of the answer to the question you
04:36:14 21 may -- you may keep before you.

04:36:16 22 All right. This is a good point for us to take a
04:36:21 23 short recess, ladies and gentlemen. This is probably our
04:36:25 24 last one for the day. We'll see.

04:36:26 25 Just close your notebooks and leave them in your

04:36:30 1 chairs, if you will. Follow all my instructions, including
04:36:33 2 not to discuss the case among yourselves, and we'll be back
04:36:37 3 in here shortly to continue.

04:36:38 4 The jury is excused for recess.

04:36:40 5 COURT SECURITY OFFICER: All rise.

04:36:41 6 (Jury out.)

04:36:42 7 THE COURT: The Court stands in recess.

04:37:04 8 COURT SECURITY OFFICER: All rise.

04:51:14 9 (Recess.)

04:51:15 10 (Jury out.)

04:51:16 11 COURT SECURITY OFFICER: All rise.

04:51:17 12 THE COURT: Be seated, please.

04:51:20 13 Are you ready to continue with your direct
04:51:28 14 examination, Mr. Johnson?

04:51:29 15 MR. JOHNSON: I am, Your Honor.

04:51:30 16 THE COURT: Let's bring in the jury, please,
04:51:32 17 Ms. Denton.

04:51:35 18 COURT SECURITY OFFICER: All rise.

04:51:36 19 (Jury in.)

04:51:55 20 THE COURT: Please be seated.

04:51:59 21 We'll continue with the Defendant's direct
04:52:03 22 examination of the witness.

04:52:04 23 You may proceed, counsel.

04:52:06 24 MR. JOHNSON: Thank you, Your Honor.

04:52:07 25 Q. (By Mr. Johnson) Mr. Saffici, when we left, we were

04:52:09 1 discussing the file history of the '605. Do you recall
04:52:16 2 that?

04:52:16 3 A. Yes.

04:52:17 4 Q. Okay. Can you tell the jury what happened in the file
04:52:23 5 history regarding the priority date of the '605 patent?

04:52:25 6 A. So when the file history -- or when the -- the
04:52:30 7 application for the '605 and the '681 patents were first
04:52:34 8 made to the Patent Office, they used the date of July 28th,
04:52:40 9 2017, that you've seen already.

04:52:44 10 When the patent and the application was processed
04:52:48 11 initially by the Patent Office, there was a rejection of
04:52:53 12 the application.

04:52:54 13 Q. What happened next?

04:52:55 14 A. The next step was that --

04:52:58 15 MR. SHEASBY: Your Honor, outside the scope of his
04:52:59 16 report.

04:53:01 17 THE COURT: Do you have a response, Mr. Johnson?

04:53:05 18 MR. JOHNSON: I believe it is within the scope of
04:53:08 19 the -- of the -- the report, but I can ask a different
04:53:12 20 question and get the same point, Your Honor. Would you
04:53:15 21 like me to do so?

04:53:17 22 THE COURT: Well, as with any other expert
04:53:20 23 witness, I want us to stay within the scope of his report.

04:53:22 24 MR. JOHNSON: Understood.

04:53:23 25 THE COURT: If you want to withdraw that question

04:53:25 1 and ask another one, you may.

04:53:27 2 MR. JOHNSON: Sure. Yes, Your Honor.

04:53:29 3 Q. (By Mr. Johnson) Did USAA ultimately file with the
04:53:31 4 Patent Office claiming the 2006 --

04:53:34 5 MR. SHEASBY: Objection, outside the scope of his
04:53:35 6 report, Your Honor.

04:53:39 7 MR. JOHNSON: May we approach, Your Honor?

04:53:40 8 THE COURT: Ladies and gentlemen of the jury, this
04:53:42 9 is a matter I need to take up with counsel outside your
04:53:44 10 presence. I know you just came back in from the jury room,
04:53:48 11 but I'm going to ask you to go back to the jury room.

04:53:51 12 Let me do this, and I'll have you back in here as
04:53:55 13 soon as possible. You can simply close and leave your
04:53:57 14 notebooks in your chairs. Follow all my instructions, and
04:54:00 15 we'll have you back in here as soon as possible.

04:54:03 16 The jury is excused to the jury room.

04:54:05 17 COURT SECURITY OFFICER: All rise.

04:54:07 18 (Jury out.)

04:54:33 19 THE COURT: Be seated.

04:54:34 20 Counsel, I trust that the remainder of the day and
04:54:38 21 this trial is not going to evolve into a series of
04:54:40 22 objections about the scope of expert witness's reports so
04:54:41 23 that the jury wears themselves out walking in and out the
04:54:45 24 courtroom. If that's where we're headed, you're about to
04:54:49 25 have a very upset Federal District Judge up here.

04:54:53 1 It's highly disruptive, and there's no need for
04:54:56 2 it. You're experienced counsel, and you've had these
04:54:58 3 reports. You've had an opportunity to review them.
04:54:59 4 They've been through the challenge process at Daubert. And
04:55:01 5 there's no reason that this witness can't be examined
04:55:04 6 consistent with the report and cross-examined consistent
04:55:07 7 with the report.

04:55:12 8 And unless you've got some reason I don't know
04:55:14 9 about, these kinds of simple questions shouldn't be either
04:55:22 10 unrecognized as within or without of the report. And if
04:55:25 11 they're clearly within, I shouldn't be hearing this
04:55:29 12 objection. And if they're clearly without, they shouldn't
04:55:31 13 be asked.

04:55:32 14 And I don't intend to be a referee calling every
04:55:37 15 ball and every strike by sending the jury in and out of
04:55:37 16 this courtroom to do it. That's not how we're going to
04:55:41 17 complete the rest of this trial. And we are going to
04:55:42 18 complete the rest of this trial.

04:55:44 19 Now, what's your objection, Mr. Sheasby?

04:55:46 20 MR. SHEASBY: Your Honor --

04:55:46 21 THE COURT: Give me specifics.

04:55:47 22 MR. SHEASBY: -- Mr. Saffici has only two
04:55:49 23 paragraphs on the prosecution history in his report.
04:55:52 24 That's Paragraphs 106 and 107.

04:55:55 25 And what my concern is, is that Wells Fargo is

04:56:02 1 about to go down the realm to discuss the correction and to
04:56:07 2 discuss the fact that he -- he says that the issue was not
04:56:15 3 considered during -- during the prosecution history.

04:56:18 4 And I don't want to continue to disrupt the jury,
04:56:20 5 but I believe that -- that the -- that counsel is about to
04:56:23 6 go down the line to talk about that there was a rejection,
04:56:27 7 that there was a correction made, that then it overcame the
04:56:31 8 rejection. None of that is actually in his report. And
04:56:34 9 that's -- that's my -- that's why I stopped now.

04:56:37 10 In other words, in fairness to counsel, the
04:56:41 11 question is not just the originally find -- the promise --
04:56:46 12 I -- he's allowed to say they originally filed without,
04:56:50 13 he's allowed to say they then correct it, but after that,
04:56:55 14 none of -- there's nothing beyond that in his report, and
04:56:55 15 that's what my concern is about.

04:56:57 16 I'm not trying to disrupt it. I'm just trying to
04:57:02 17 constrain -- to -- to say it was not in the priority claim,
04:57:04 18 and there was a priority claim, and that's as far as he
04:57:07 19 goes in his report. And I think that's as far as he should
04:57:10 20 be able to go on his direct. That's my only request.

04:57:13 21 THE COURT: So are you telling me, Mr. Sheasby,
04:57:15 22 that I've just sent the jury out because of something that
04:57:18 23 hasn't happened yet that you're afraid might happen? Is
04:57:22 24 this a premature objection that's caused a pretty serious
04:57:28 25 disruption of the trial process?

04:57:28 1 MR. SHEASBY: I don't believe it's -- it was not
04:57:29 2 intended to be premature. It was intended so we wouldn't
04:57:29 3 continue to have these disruptions -- me continuing to
04:57:34 4 stand up and object to it on this issue. This was the
04:57:36 5 subject -- there was a prosecution history slide that was
04:57:39 6 withdrawn in front of the Court, and my concern is that now
04:57:42 7 they're just going back into the prosecution history that
04:57:45 8 was withdrawn.

04:57:45 9 So the Court is -- I accept the Court's --

04:57:48 10 THE COURT: I have the report in front of me.
04:57:50 11 Now, you say it's Paragraphs 107 and 108?

04:57:56 12 MR. JOHNSON: 124 is what I'm relying on, Your
04:57:58 13 Honor.

04:57:58 14 MR. SHEASBY: 106, 107, and 124, Your Honor.

04:58:28 15 THE COURT: We've had this argument in chambers
04:58:30 16 where in Paragraph 124, the witness says in his report
04:58:33 17 there's no indication that the examiner considered the
04:58:36 18 specific issues I discussed, i.e., whether the patents
04:58:40 19 disclose a device with an integrated camera.

04:58:42 20 I told you in chambers, and I'm telling you now,
04:58:46 21 it's improper to presume what was in the mind of the
04:58:50 22 examiner. And even if the examiner did not expressly call
04:58:52 23 something out as being present or absent, the absence of a
04:58:56 24 discussion about it does not imply or indicate that the
04:59:00 25 examiner made a mistake. We had that discussion in

04:59:04 1 chambers, Mr. Johnson.

04:59:06 2 MR. JOHNSON: We did, Your Honor, and I was not
04:59:08 3 going to -- my understanding --

04:59:09 4 THE COURT: There's nothing else in this paragraph
04:59:11 5 that talks about a rejection at the PTO and then overcoming
04:59:14 6 the rejection.

04:59:16 7 MR. JOHNSON: And I didn't say anything or ask
04:59:17 8 about anything about a rejection. He said --

04:59:20 9 THE COURT: He just told this jury the patent
04:59:22 10 applications were rejected.

04:59:24 11 MR. JOHNSON: And that is what happened. They
04:59:26 12 made it without --

04:59:27 13 THE COURT: It may have been what happened, but
04:59:30 14 it's not what's said in his report.

04:59:32 15 MR. JOHNSON: He says, Your Honor, that he filed
04:59:34 16 the applications without making a priority claim, and they
04:59:36 17 amended the application to claim priority.

04:59:38 18 THE COURT: And that doesn't say these claims were
04:59:40 19 rejected, and that's what he just told this jury.

04:59:44 20 All right. I'm going to sustain the objection.
04:59:47 21 I'm going to instruct the jury to disregard any statement
04:59:50 22 about the applications having been rejected. I'm going to
04:59:54 23 charge this time to the Defendant. And we are going to
05:00:00 24 continue in strict compliance with what's in this report.

05:00:04 25 I made it abundantly clear in chambers before we

05:00:08 1 got to this point, that the testimony -- that because the
05:00:10 2 Patent Office didn't say it did or didn't consider it, was
05:00:14 3 something that this witness could speculate about what was
05:00:16 4 in their mind or not in their mind. The witness is not
05:00:19 5 going to speculate about what's in the mind or not in the
05:00:21 6 mind or what was considered or not considered by the Patent
05:00:24 7 Office.

05:00:25 8 MR. JOHNSON: And, Your Honor, I want to stay on
05:00:26 9 the right side of that, and I apologize if I misunderstood.
05:00:28 10 I thought what the Court was saying is that he could not
05:00:31 11 comment on whether or not it was a mistake, and that's why
05:00:35 12 the Court denied our use of those slides.

05:00:39 13 Am I allowed to --

05:00:41 14 THE COURT: The reason he can't comment on why
05:00:43 15 it's a mistake is because he can't speculate what's the
05:00:47 16 mental processes of the Patent Office about something the
05:00:49 17 Patent Office is silent on. I made that abundantly clear.

05:00:53 18 MR. JOHNSON: Okay. And that -- I believe that
05:00:54 19 answers my question, that his report goes on to say there's
05:00:57 20 no indication that the examiner considered the specific
05:01:00 21 issues I discussed, whether the patents disclose a device
05:01:03 22 with an integrated camera.

05:01:04 23 What I'm understanding the Court is -- that I
05:01:07 24 cannot elicit that testimony from him?

05:01:12 25 THE COURT: Say that again.

05:01:13 1 MR. JOHNSON: The report says there is no
05:01:17 2 indication, referring to the file history, that the
05:01:20 3 examiner considered the specific issue I discussed, whether
05:01:23 4 the patents disclose a device with an integrated camera.
05:01:28 5 USAA does not contend otherwise. And he says: I don't
05:01:32 6 think the file history provides written description
05:01:34 7 support.

05:01:36 8 THE COURT: I'm not going to reopen Daubert and
05:01:40 9 circumscribe this report. You can say what's in that
05:01:44 10 paragraph. But saying that the Patent Office rejected
05:01:47 11 these applications is not in this paragraph.

05:01:50 12 MR. JOHNSON: Agreed, Your Honor.

05:01:51 13 THE COURT: And this witness knows what's in his
05:01:53 14 report because he wrote it. Or if he didn't write it, he's
05:01:56 15 in awfully big trouble representing to this Court that he
05:02:00 16 did. And I want the testimony going forward in strict
05:02:02 17 compliance with the report.

05:02:09 18 MR. JOHNSON: Absolutely, Your Honor.
05:02:09 19 Well-understood.

05:02:09 20 THE COURT: All right. Let's bring the jury back
05:02:10 21 in.

05:02:11 22 COURT SECURITY OFFICER: All rise.

05:02:14 23 (Jury in.)

05:02:36 24 THE COURT: Thank you for your patience, ladies
05:02:39 25 and gentlemen. Please have a seat.

05:02:40 1 Before you left a minute ago, there was a
05:02:43 2 representation by the witness that there might have been an
05:02:47 3 initial rejection of these applications by the Patent
05:02:50 4 Office. To the extent that was said, you should disregard
05:02:53 5 that and not consider it as a part of this case.

05:02:55 6 All right. Counsel, you may go forward. I
05:02:59 7 sustained Plaintiff's objection, for the record.

05:03:02 8 MR. JOHNSON: May it please the Court. Thank you,
05:03:04 9 Your Honor.

05:03:04 10 Q. (By Mr. Johnson) Mr. Saffici, did USAA originally file
05:03:08 11 the applications for the '605 and '681 patent without
05:03:11 12 making a claim of priority?

05:03:13 13 A. That's correct.

05:03:14 14 Q. Was that -- were those applications later amended to
05:03:20 15 claim priority to the 2006 applications that you indicated
05:03:23 16 in your earlier testimony?

05:03:24 17 A. Yes, they were.

05:03:25 18 Q. Is there any indication that the examiner considered
05:03:31 19 the specific issues that you discussed, i.e., whether the
05:03:35 20 patents disclose a device with an integrated camera in --
05:03:40 21 in your review of the history?

05:03:41 22 A. I did not see indication of that.

05:03:44 23 Q. Did USAA's reliance upon the file history -- do you
05:03:52 24 believe that -- did you have -- sorry. In looking at
05:03:59 25 USAA's reliance on the file history, do you believe

05:04:03 1 that's -- changes your opinion?

05:04:05 2 A. No, it does not change my opinion.

05:04:11 3 Q. Mr. Saffici, now we're to the fourth category, which
05:04:16 4 you state were other types of evidence that USAA was
05:04:21 5 pointing to that you said is not in the specification, am I
05:04:25 6 correct?

05:04:25 7 A. That's correct.

05:04:26 8 Q. And what were -- what were -- what was it that USAA was
05:04:31 9 pointing to in its response on written description?

05:04:34 10 A. Right. So listed here are five items. One is modern
05:04:41 11 smartphones, second is USA's -- USAA's product development,
05:04:47 12 laptops with webcams, PDAs with cameras, and phones with
05:04:53 13 cameras.

05:04:56 14 Q. Did you review the specification of the '605 for
05:05:01 15 mention of any of these five categories of either devices
05:05:09 16 or product development?

05:05:12 17 A. Yes, I did review the specification of the '605, and
05:05:17 18 they are not present.

05:05:19 19 Q. So did -- and when you say not present, are these
05:05:23 20 things mentioned in the specification?

05:05:25 21 A. Sorry, in the -- yeah, correct, they are not in the
05:05:28 22 specification.

05:05:29 23 Q. So did -- do you believe that -- is it your opinion as
05:05:34 24 one of skill in the art that the -- this evidence of
05:05:38 25 devices and product development provides written

05:05:40 1 description support for the claims of the '605 patent we've
05:05:44 2 been discussing?

05:05:45 3 A. No, it does not provide support for written
05:05:48 4 description.

05:05:48 5 Q. And so as to written description in the '605 patent,
05:05:54 6 what is your opinion on written description?

05:05:57 7 A. Again, the result of this analysis is that the '605
05:06:02 8 patent lacks written description. Thus, the claims are
05:06:05 9 invalid.

05:06:06 10 Q. So the specification did not demonstrate full scope of
05:06:10 11 the invention -- inventive claims; is that right?

05:06:14 12 A. That's correct, yes.

05:06:15 13 Q. Let's switch -- and is that true for Independent
05:06:18 14 Claims 1 and 12, the two that we looked at?

05:06:22 15 A. Yes, that's correct.

05:06:23 16 Q. Is it true for Claims 3 and 11 that depend from
05:06:29 17 Claim 1?

05:06:29 18 A. Yes, it is.

05:06:30 19 Q. And is it true also for Dependent Claims 13, 14, and 12
05:06:33 20 that also depend or refer to Claim 12?

05:06:37 21 A. Yes, it does.

05:06:39 22 Q. Let's move to the '681 patent.

05:06:42 23 When was the '681 patent filed?

05:06:49 24 A. It was also filed on July 28th, 2017.

05:06:54 25 Q. Okay. And when does it -- when does USAA claim that it

05:06:58 1 described and invented the claims that it filed for in 2017
05:07:05 2 in the '681 patent?

05:07:05 3 A. It relied -- yeah, it relies on the '200 patent which
05:07:10 4 has a date of October 31st of 2006.

05:07:14 5 Q. And how does it claim back to the 2000 -- to the USAA
05:07:20 6 Oakes '200 patent?

05:07:22 7 A. I'm sorry, say that again, please?

05:07:24 8 Q. How did USAA's '681 patent claim back to the '200
05:07:30 9 patent?

05:07:30 10 A. Well, again, here are the specifications from the '200
05:07:33 11 patent and the '681 patent.

05:07:38 12 Q. And like they did for the '605 patent, did they use the
05:07:42 13 specification from the 2006 '200 patent verbatim in the
05:07:47 14 '681 patent?

05:07:47 15 A. Yes, the '200 patent is for the specification of the --
05:07:52 16 from the '200 patent is verbatim in the '681 patent.

05:07:55 17 Q. And what does the specification of the '681 patent
05:07:59 18 describe?

05:08:00 19 A. It's describing a general purpose computer with a
05:08:04 20 separate image capture device being either a scanner or a
05:08:07 21 camera.

05:08:08 22 Q. And what do the claims that USAA wrote in 2017
05:08:13 23 describe?

05:08:14 24 A. They show both a general purpose computer with a
05:08:17 25 separate image capture device being a camera or scanner, as

05:08:22 1 well as a mobile device with a digital camera.

05:08:26 2 Q. In certain claims, is the mobile device configuration
05:08:31 3 referred to as a portable device with a camera?

05:08:32 4 A. Yes, it is.

05:08:36 5 Q. Did you analyze the claims of the '681 patent?

05:08:40 6 A. Yes, the same as I did with the '605.

05:08:46 7 MR. JOHNSON: Mr. Goodin, could we have Claim 12
05:08:50 8 of the '681?

05:08:54 9 Q. (By Mr. Johnson) Is this Claim 12 of the '681 that you
05:09:07 10 analyzed as a part of your report in this case?

05:09:09 11 A. Yes, it is.

05:09:14 12 Q. Based on your review of the claim, what is described in
05:09:19 13 Claim 12 of the '681 patent?

05:09:23 14 A. It talks about a customer being able to deposit a check
05:09:26 15 using the customer's own mobile device with a digital
05:09:29 16 camera.

05:09:29 17 Q. Does the claim -- does the claim restrict whether or
05:09:39 18 not that digital camera is a part of a single device in
05:09:44 19 part of Claim 12, or does it describe it -- or could it
05:09:48 20 also be separate?

05:09:50 21 A. I agree that it can be either separate or in --
05:09:55 22 internal.

05:09:56 23 Q. And is that analysis similar to what we did for Claim 1
05:10:00 24 and Claim 12 of the '605?

05:10:02 25 A. That's correct.

05:10:03 1 Q. Now, the '681, Claim 12, has four dependent claims,
05:10:09 2 Claims 13, 14, 20, and 22. Did you analyze those claims?

05:10:14 3 A. Yes, I did.

05:10:15 4 Q. Because those claims depend from -- or depend on
05:10:20 5 Claim 12, do they contain similar breadth, in terms of
05:10:26 6 applying to a mobile device with a digital camera as a part
05:10:31 7 of a single device or where the digital camera is separate?

05:10:34 8 A. They do contain the same breadth of the Claim 12.

05:10:42 9 MR. JOHNSON: Let's go to Claim 30 of the '681.

05:10:46 10 Q. (By Mr. Johnson) What are we -- what did you analyze
05:10:55 11 or find in Claim 30 as part of your work in this case?

05:10:58 12 A. So, again, here we're talking about a customer's mobile
05:11:04 13 device, and having a digital camera.

05:11:06 14 Q. And does Claim 30 have a -- does it require either the
05:11:13 15 camera to be part of the single device, or can the camera
05:11:17 16 be separate?

05:11:18 17 A. Again, it's written broadly enough that it can be in
05:11:21 18 either -- can be either situation.

05:11:24 19 Q. Now, as we now turn from the claims of the '681 patent
05:11:33 20 to the specification, what must the specification describe
05:11:38 21 to provide full scope support to the Independent Claims 12
05:11:43 22 and 30, as well as the dependent claims we've discussed?

05:11:46 23 A. The specification would need to provide support for
05:11:49 24 both -- or both methods, the device being -- I'm sorry, the
05:11:55 25 general purpose computer being separate from the image

05:12:02 1 capture device, as well as being with a mobile device with
05:12:04 2 a digital camera in it.

05:12:11 3 Q. And did you compare the '681 specification and the '605
05:12:19 4 specification, the specification of the two
05:12:22 5 patents-in-suit?

05:12:22 6 A. Yes.

05:12:24 7 Q. And are there any differences between the specification
05:12:28 8 of the '605 and the '681 patent?

05:12:30 9 A. Well, there is -- there is a lot of similarity, but the
05:12:35 10 '681 definitely does not include PDA because that's not
05:12:38 11 part of the claim of the '681.

05:12:41 12 Q. Let's look at the '681 specification, specifically
05:12:47 13 Column 4, Lines 37 to 48.

05:12:49 14 Looking at the '681 specification, Column 4,
05:13:17 15 Lines 37 to 48, do we see here the same language that we
05:13:24 16 saw regarding the computer 111 and image capture device 112
05:13:29 17 that we saw back in the '605?

05:13:31 18 A. Yes, that is the same language.

05:13:34 19 Q. And what is it describing?

05:13:37 20 A. Again, it's describing both a computer 111 and an image
05:13:42 21 capture device 112. And the way it describes it there,
05:13:47 22 they are separate.

05:13:48 23 Q. Does it maintain the language about digital cameras
05:13:53 24 shipping on their own with software?

05:13:55 25 A. Yes, that same language is there, again, which

05:13:59 1 describes the two -- the camera being separate from the
05:14:02 2 computer to move those images there.

05:14:06 3 Q. Okay. And does it discuss image capture devices as
05:14:12 4 scanners and digital cameras?

05:14:12 5 A. Yes, that's the description right up top there.

05:14:18 6 Q. Is -- does this -- as one of skill in the art, as you
05:14:22 7 look at the '681 specification in context of the patent,
05:14:31 8 did you find that there was written description support for
05:14:38 9 claims with a mobile device or portable device with a
05:14:43 10 digital camera as a single unit?

05:14:45 11 A. No, it does not provide support for that.

05:14:47 12 Q. Now, you mentioned there's no PDA discussion in the
05:14:58 13 '60 -- '681 specification, similar to what we had over in
05:15:02 14 the '605?

05:15:02 15 A. That's correct, it's not mentioned in the '681.

05:15:05 16 Q. In the '681, sir -- or in regards to the '681, did USAA
05:15:12 17 answer a similar interrogatory describing where they
05:15:15 18 believe written -- written description support is found for
05:15:20 19 the mobile device with a digital camera claims in the '681
05:15:27 20 patent?

05:15:27 21 A. Yes, they did have an interrog -- interrogatory
05:15:31 22 response.

05:15:31 23 Q. Did it rely upon the same passage -- same language in
05:15:41 24 the '681 as was relied on in the '605?

05:15:43 25 A. Yes, with the exception of the PDA.

05:15:46 1 Q. Would your analysis be the same for that language in
05:15:48 2 the context of the '681 specification as it was in the
05:15:51 3 '605?

05:15:51 4 A. Yes, the analysis is the same.

05:15:53 5 Q. So in -- in looking at the '681, the claims of the
05:16:07 6 '681, what is your opinion regarding written description
05:16:11 7 support -- excuse me -- for the full scope of the
05:16:17 8 inventions?

05:16:19 9 A. That the '681 patent lacks written description because
05:16:24 10 the specifications do not provide the full scope of the
05:16:29 11 claims, thereby the claims would be invalid.

05:16:32 12 Q. And what would happen to the priority date of the '681
05:16:35 13 patent?

05:16:35 14 A. It would change from the October 31st, 2006, date to
05:16:41 15 the July 28th, 2017, which was the filing date of the
05:16:45 16 patent.

05:16:47 17 Q. Mr. Saffici, I want to now leave written description
05:16:51 18 and go to anticipation very briefly.

05:16:54 19 A. Okay.

05:16:55 20 Q. Remind the jury what anticipation is.

05:17:02 21 A. So anticipation, when we do the analysis for
05:17:05 22 anticipation, we want to find out if this patent is really
05:17:08 23 new. And by looking at the prior art that we mentioned
05:17:10 24 earlier, we look to see if at least one sample -- or one
05:17:16 25 example of the system is found in prior art. And if it

05:17:21 1 does, that says that that prior art anticipates and
05:17:26 2 invalidates the patent that we were examining.

05:17:28 3 Q. And in this case, what were the dates of filing for the
05:17:34 4 '605 and '681 patents?

05:17:35 5 A. The date of filing was October 28, 2017.

05:17:41 6 Q. What is the priority date that they claim to in their
05:17:46 7 spec -- in their -- on the face of the patent?

05:17:49 8 A. Right. They were claiming the October 31st, 2006,
05:17:52 9 date.

05:17:56 10 Q. And what is significant about the priority -- the claim
05:18:01 11 of when the priority date is for anticipation?

05:18:03 12 A. Right. The priority date is the date when you're
05:18:06 13 looking for anticipation, you look earlier than that date.
05:18:12 14 So for -- when looking for anticipation for the 2017 date,
05:18:19 15 we look earlier than that.

05:18:23 16 Q. And based on your analysis in your report, has the --
05:18:28 17 are the -- is the '605 patent entitled to the priority date
05:18:32 18 of 2006 through the '227 patent?

05:18:37 19 A. No, it is not.

05:18:38 20 Q. For the reasons that we've discussed?

05:18:41 21 A. Yes, for anticipation.

05:18:43 22 Q. I'm sorry, you said anticipation. Do you mean written
05:18:46 23 description?

05:18:46 24 A. Oh, I'm sorry, yeah -- yeah, we just finished written
05:18:50 25 description. So because it failed written description,

05:18:52 1 then it loses that priority date.

05:18:56 2 Q. And this -- is the same true of the '681 patent?

05:19:01 3 A. Yes, that's correct.

05:19:02 4 Q. So now what is the priority date that we look back
05:19:05 5 from, for anticipation purposes, as to the two patents?

05:19:08 6 A. The July 28th, 2017, date, again, looking backwards
05:19:11 7 from there.

05:19:12 8 Q. Now, if you consider the 2017 priority dates and look
05:19:20 9 back, do you have opinions relating to prior art?

05:19:23 10 A. Yes, I do.

05:19:25 11 Q. And what is that opinion for the '605 patent?

05:19:28 12 A. The opinion for the '605 patent is that it is
05:19:32 13 anticipated by the Oakes '227 patent.

05:19:38 14 Q. And what about for the '681 patent?

05:19:41 15 A. It is anticipated by the Oakes '200 patent.

05:19:47 16 Q. Can you tell me, sir, how can the '227 patent be
05:19:56 17 described as anticipating if it does not provide a written
05:19:59 18 description?

05:20:00 19 A. Well, because there are two different legal doctrines,
05:20:04 20 written description and anticipation.

05:20:05 21 And we -- we've gone through a discussion of that.
05:20:10 22 But on anticipation now, we want to look into a prior art
05:20:13 23 to see if it has -- if it discloses at least one example of
05:20:20 24 what this -- the '605 does.

05:20:22 25 So it did identify the -- I'm sorry, the image

05:20:29 1 capture -- I'm sorry, the general purpose computer or
05:20:32 2 laptop with an image -- separate image camera device, which
05:20:38 3 is what's in the '605. That's one of the '605 claims, and
05:20:43 4 it didn't need to find the second way in which the '605
05:20:49 5 claims.

05:20:49 6 Q. So if it describes one example of -- of a system that
05:20:53 7 meets the claims, is that sufficient -- is that description
05:20:58 8 sufficient for anticipation?

05:21:00 9 A. Yes, it is. It only needs to find one.

05:21:04 10 Q. And have you taken that same position before in your
05:21:09 11 report?

05:21:09 12 A. Yes, I did.

05:21:10 13 Q. And otherwise?

05:21:11 14 A. Yes.

05:21:13 15 Q. And by saying that the prior art describes the
05:21:20 16 limitations of these 2017 claims, does that have any
05:21:24 17 bearing on written description?

05:21:25 18 A. No, because we're just looking at anticipation then.

05:21:31 19 Q. Just so we are clear, sir, when -- and if we go to the
05:21:43 20 '681 patent, does the '681 patent -- likewise, is it
05:21:49 21 anticipated by the '200 patent?

05:21:50 22 A. Yes, it is, the same reason.

05:21:53 23 Q. Now, both of these are USAA patents that you're saying
05:21:56 24 anticipate or describe the systems that invalidate; is that
05:22:01 25 right?

05:22:01 1 A. That is correct.

05:22:02 2 Q. Anything wrong with that?

05:22:04 3 A. No, there's nothing wrong.

05:22:06 4 Q. Prior art --

05:22:09 5 A. Prior art is prior art. I'm sorry to speak over you.

05:22:12 6 Q. So for the '605 patent, did you find all of the

05:22:17 7 limitations of the claims -- asserted claims met in the

05:22:23 8 USAA '227 or Oakes '227 patent?

05:22:28 9 A. I found one of them. The general purpose computer and

05:22:33 10 separate device in the Oakes '227 that results in the

05:22:38 11 anticipation or the invalidation of the '605 patent for

05:22:45 12 anticipation.

05:22:45 13 Q. And as you're working this case, did you find all of

05:22:48 14 these elements anticipate?

05:22:49 15 A. Yes, I did.

05:22:50 16 Q. Is that also true for Claim 12 of the '605 patent?

05:22:55 17 A. That is also anticipated.

05:22:57 18 Q. Okay. All of the elements are found in the earlier

05:22:59 19 patent?

05:22:59 20 A. Yes, all the elements.

05:23:01 21 Q. And because Claims 3 and 11 depend from Claim 1 and

05:23:07 22 Claims 13, 14, and 22 depend from Claim 12, did you also

05:23:11 23 analyze those?

05:23:11 24 A. Yes. Likewise, they are anticipated.

05:23:15 25 Q. So the dependent claims are likewise anticipated --

05:23:18 1 every element of the dependent claims are anticipated?

05:23:21 2 A. That's correct.

05:23:21 3 Q. When we switch to the '681 patent, what did you find?

05:23:28 4 A. I found that Oakes '200 patent -- well, it anticipates

05:23:35 5 the '681 because it discloses a general purpose computer

05:23:39 6 with a separate image capture device.

05:23:43 7 Q. Okay. And does it otherwise find all of the

05:23:46 8 elements -- did you find all of the elements of Claim 30 in

05:23:49 9 the Oakes '200 patent?

05:23:51 10 A. Yes, I did.

05:23:52 11 Q. And Claim 30 was a -- an independent claim. Did you

05:23:59 12 also do this same analysis for Claim 12, the other

05:24:02 13 dependent claim?

05:24:02 14 A. Yes, I did.

05:24:03 15 Q. Did you find all of the elements in the '200 patent of

05:24:11 16 the -- Claim 12 of the '681?

05:24:13 17 A. Yes, I did.

05:24:14 18 Q. And then there are four -- four dependent claims,

05:24:18 19 Claims 13, 14, 20, and 22; is that right?

05:24:21 20 A. Yes, that's correct.

05:24:22 21 Q. Did you analyze those claims in regards to the '200

05:24:25 22 patent?

05:24:26 23 A. I did.

05:24:27 24 Q. And did you find every element of those claims in the

05:24:32 25 Oakes '200 patent?

05:24:34 1 A. Yes, I did.

05:24:35 2 Q. So what is your conclusion about the '681 patent?

05:24:39 3 A. My conclusion with the '681 patent is that it is
05:24:41 4 anticipated by the Oakes '200 patent, thereby invalidating
05:24:45 5 the claims of the '681 patent.

05:24:46 6 Q. And, again, this is -- once the priority date moves to
05:24:56 7 2017; is that right?

05:24:57 8 A. That's correct, yes.

05:24:58 9 Q. Did USAA take issue with that in this case?

05:25:00 10 A. I'm not aware of any dispute.

05:25:03 11 MR. JOHNSON: May I have a moment, Your Honor?

05:25:05 12 THE COURT: You may.

05:25:33 13 MR. JOHNSON: Your Honor, at this time, I would
05:25:35 14 pass the witness.

05:25:36 15 THE COURT: All right. Is there cross-examination
05:25:38 16 by the Plaintiff?

05:25:38 17 MR. SHEASBY: There is, Your Honor.

05:25:39 18 THE COURT: Please proceed.

05:25:39 19 CROSS-EXAMINATION

05:26:06 20 BY MR. SHEASBY:

05:26:06 21 Q. Good afternoon, Mr. Saffici.

05:26:08 22 A. Good afternoon, Mr. Sheasby.

05:26:09 23 Q. It's nice to see you again.

05:26:11 24 A. Oh, yes.

05:26:11 25 Q. We've met before?

05:26:12 1 A. A few times.

05:26:15 2 Q. Mr. Saffici, you spoke about a person of ordinary skill
05:26:21 3 in the art, fair?

05:26:22 4 A. That's correct.

05:26:22 5 Q. And for the purposes of written description, the
05:26:30 6 analysis that the jury must do is whether the claims of the
05:26:34 7 patents-in-suit are described in the specification to a
05:26:41 8 person of ordinary skill in the art, fair?

05:26:43 9 A. That's my understanding.

05:26:45 10 Q. It's not my view of it. It's the view of a person of
05:26:49 11 ordinary skill in the art, fair?

05:26:51 12 A. As of a particular point in time, yes.

05:26:53 13 Q. And as of 2006?

05:26:55 14 A. In this case, yes.

05:26:56 15 Q. Now, there is another expert in this case representing
05:27:04 16 Wells Fargo. His name is Dr. Villasenor, correct?

05:27:06 17 A. Yes.

05:27:08 18 Q. Dr. Villasenor, counsel for Wells Fargo described him
05:27:12 19 as having gone to Stanford, correct?

05:27:14 20 A. I don't know all of his background, to be honest.

05:27:16 21 Q. He's -- he's a technical expert, fair?

05:27:18 22 A. I understand that, yes.

05:27:19 23 Q. And if you turn behind you, I've actually laid a box of
05:27:25 24 materials that we're going to be using today. And on top
05:27:29 25 of that you'll see Dr. Villasenor's report. And I'd like

05:27:31 1 to ask you to turn to Paragraph 16 of his report.

05:27:40 2 A. I am there.

05:27:43 3 MR. JOHNSON: Jason, do you have a binder for
05:27:45 4 them? Never mind.

05:27:48 5 A. I'm there.

05:27:49 6 Q. (By Mr. Sheasby) I want you to read Paragraph 16 to
05:27:51 7 yourself. Don't read it out loud.

05:27:53 8 A. You said do or don't?

05:27:55 9 Q. Do not read it out loud.

05:27:57 10 A. Oh.

05:28:15 11 Q. Just the first sentence, please.

05:28:17 12 A. I'm sorry?

05:28:18 13 Q. The first sentence of Paragraph 16. Let me know --

05:28:20 14 A. Oh, just the first sentence?

05:28:20 15 Q. Yes.

05:28:21 16 A. I'm sorry. I was reading the whole paragraph. Yes,
05:28:24 17 I've read that.

05:28:25 18 Q. Now, Dr. Villasenor is defining what a person of
05:28:27 19 ordinary skill in the art is, correct?

05:28:28 20 A. That's what he does here, yes.

05:28:30 21 Q. And he's defining it as a person who has a Bachelor's
05:28:35 22 of Science degree in electrical engineering, computer
05:28:37 23 science, computer engineering or a closely related field,
05:28:40 24 and at least two years of work or research experience in
05:28:45 25 portable device imaging, including communications with a

05:28:48 1 server in relation to such imaging. Fair?

05:28:50 2 A. That's what it reads, yes.

05:28:52 3 Q. That's not your definition of a person of ordinary
05:28:54 4 skill in the art, correct?

05:28:54 5 A. That's correct.

05:28:55 6 Q. You don't meet Dr. Villasenor's definition of a person
05:28:59 7 of ordinary skill in the art, fair?

05:29:00 8 A. I don't meet that, that's correct.

05:29:04 9 Q. And so when the jury considers what the patent
05:29:10 10 specification teaches to a person of ordinary skill in the
05:29:13 11 art, it's fair for them to take back into the jury room
05:29:18 12 that, although you have very extensive business experience,
05:29:22 13 you're not a technical expert, fair?

05:29:24 14 A. I was not hired for that, that's correct.

05:29:26 15 Q. You don't meet Professor Villasenor's definition of
05:29:32 16 what a person of ordinary skill in the art would be, fair?

05:29:33 17 A. I would agree that I don't.

05:29:38 18 Q. You have no patents, for example, fair?

05:29:40 19 A. That's correct.

05:29:41 20 Q. The patents at issue in this case, they relate to --
05:29:46 21 and the specification relates to mobile remote deposit
05:29:50 22 capture, fair?

05:29:51 23 A. Yes.

05:29:51 24 Q. The specification describes the technical aspects of
05:29:56 25 mobile remote deposit capture, fair?

05:29:57 1 A. I disagree.

05:30:10 2 Q. The patent claims at issue in this case are directed to
05:30:13 3 mobile remote deposit capture, fair?

05:30:14 4 A. Yes.

05:30:19 5 Q. You have no experience with the technical programming
05:30:21 6 of mobile device remote deposit capture systems, correct?

05:30:29 7 A. I agree.

05:30:30 8 Q. You have no -- you've had no role in actually designing
05:30:33 9 mobile capture systems that would be used for mobile
05:30:34 10 devices, correct?

05:30:34 11 A. That's correct.

05:30:35 12 Q. You've never designed a system that uses mobile devices
05:30:39 13 for remote deposit capture, correct?

05:30:41 14 A. That's correct.

05:30:42 15 Q. You've never had any role in designing the technical
05:30:45 16 criteria that images would have to satisfy for the
05:30:47 17 successful deposits of checks, correct?

05:30:49 18 A. Can you say that again, please?

05:30:51 19 Q. Sure. You've never had any role in designing the
05:30:54 20 technical criteria that the images would have to satisfy
05:30:57 21 for the successful deposit of checks, correct?

05:30:59 22 A. Can I ask you how you're defining "technical"?

05:31:03 23 Q. Well, why don't you turn to Tab 1 of the binders behind
05:31:07 24 you. And I think there's three binders, so you'll want to
05:31:07 25 find -- the binder that says --

05:31:15 1 A. One of three?

05:31:17 2 Q. Yes. And if you turn to -- if you turn to Tab 1?

05:31:23 3 THE COURT: Just a minute.

05:31:24 4 Ms. Denton, get the other two binders out and make
05:31:28 5 them available to the witness, please.

05:31:33 6 A. I'm there, Mr. Sheasby.

05:31:35 7 Q. (By Mr. Sheasby) If you go to Page 12, Line 6 through
05:31:39 8 11 -- go ahead and read that question to yourself.

05:31:42 9 A. I'm sorry.

05:31:45 10 Q. So it's little Page 12 because there's four pages
05:31:49 11 per --

05:31:50 12 A. Right, right, right. And which line, please?

05:31:56 13 Q. 6 through 11.

05:31:59 14 A. Okay. I've read that.

05:32:02 15 Q. You have -- you -- you have had no role in designing
05:32:08 16 the technical criteria that images would need to satisfy
05:32:11 17 for the successful deposit of checks, fair?

05:32:13 18 A. That was my testimony, yes, sir.

05:32:16 19 Q. You have no experience in designing software for mobile
05:32:19 20 applications, fair?

05:32:20 21 A. That's correct.

05:32:22 22 Q. You have no experience with developing the software
05:32:24 23 that's used in mobile devices so that they can participate
05:32:28 24 in remote -- remote deposit capture, correct?

05:32:31 25 A. That's correct.

05:32:32 1 Q. You have no experience whatsoever in actually the
05:32:36 2 technical aspects of using mobile devices for remote
05:32:42 3 deposit capture, fair?

05:32:42 4 A. That's correct.

05:32:43 5 Q. Now, you were in the room for the -- well, let me
05:32:48 6 withdraw that.

05:32:48 7 You were in court for Mr. Brady's testimony,
05:32:57 8 correct?

05:32:57 9 A. Yes, I was.

05:32:58 10 Q. Mr. Brady has a Bachelor's and Master's degree in
05:33:03 11 computer science, correct?

05:33:04 12 A. I don't recall all the details, but I know he has some
05:33:07 13 degrees, yes.

05:33:08 14 Q. He's an engineer, fair?

05:33:10 15 A. I think that was his background, yes.

05:33:12 16 Q. And he talked about having 35 years of actually
05:33:14 17 building the technical systems that are used in banking,
05:33:18 18 fair?

05:33:18 19 A. I believe that was it.

05:33:19 20 Q. And Mr. Brady actually went through the specification,
05:33:25 21 in his testimony to the jurors, correct?

05:33:26 22 A. Yes.

05:33:27 23 Q. He pointed out passages from the specification. He
05:33:31 24 spoke about the fact that he found in the specification the
05:33:35 25 disclosure of mobile devices in digital cameras in any

05:33:42 1 configuration. Fair?

05:33:43 2 A. I believe that was his testimony.

05:33:49 3 Q. Who has more technical expertise, Mr. Brady or you?

05:33:51 4 A. Depends on how you want to define technically.

05:33:55 5 Q. Let's define it in the way Dr. Villasenor defined a

05:33:59 6 person of ordinary skill in the art.

05:34:00 7 A. Well, to use that definition, then, no, I don't meet

05:34:06 8 that.

05:34:06 9 Q. Mr. Brady does, fair?

05:34:08 10 A. He seems to be close to it, yes.

05:34:11 11 Q. Now, we also heard from Professor Conte, correct?

05:34:14 12 A. Yes.

05:34:14 13 Q. Professor Conte was the president of a major computer
05:34:20 14 society in the United States, fair?

05:34:21 15 A. I saw his credentials, yes.

05:34:22 16 Q. He a full professor at the Georgia Institute of
05:34:25 17 Technology, fair?

05:34:26 18 A. Yes.

05:34:26 19 Q. And you heard him testify that the patent discloses
05:34:31 20 every single limitation of the claim, correct?

05:34:34 21 A. I believe that's what he said.

05:34:35 22 Q. And he said the claims are about any type of
05:34:38 23 configuration of mobile device with general purpose
05:34:42 24 computer, fair?

05:34:43 25 A. I don't recall exactly how he said it, but...

05:34:48 1 Q. He said that the scope of the claims is fully disclosed
05:34:52 2 by the specification, correct?

05:34:53 3 A. Again, I don't recall exactly, you know, what his words
05:34:56 4 were.

05:34:58 5 MR. JOHNSON: Object to the extent it misstates
05:35:00 6 prior testimony, Your Honor. I don't believe he took that
05:35:03 7 position.

05:35:05 8 MR. SHEASBY: Your Honor, that's not a proper
05:35:06 9 objection.

05:35:13 10 THE COURT: That's something you'll have to deal
05:35:15 11 with on redirect, Mr. Johnson. I'm going to overrule it at
05:35:17 12 this time.

05:35:18 13 MR. JOHNSON: Thank you, Your Honor.

05:35:19 14 THE COURT: You're certainly free to explore it on
05:35:21 15 redirect.

05:35:23 16 Q. (By Mr. Sheasby) So why don't you turn to Tab 40 in
05:35:26 17 your binder.

05:35:30 18 A. 40?

05:35:30 19 Q. Yes.

05:35:33 20 A. 4-0?

05:35:34 21 Q. Uh-huh.

05:35:40 22 A. Is that No. 3, by the way?

05:35:43 23 Q. It should be, yes. Yes, Mr. Saffici, it should be
05:35:47 24 Binder 3.

05:35:48 25 A. Okay.

05:35:59 1 Q. And tell me when you're there. I don't want to rush
05:36:01 2 you.

05:36:01 3 A. 40, yes, I'm there.

05:36:04 4 Q. Okay. Turn to Page 513. And why don't you just read
05:36:12 5 to yourself Page 513 to 514.

05:36:37 6 A. 513 to what, sir? I'm sorry.

05:36:40 7 Q. 514, take your time. Just 513 and 514.

05:37:25 8 A. I understand.

05:37:29 9 Q. Uh-huh. You're reading a passage from
05:38:33 10 Professor Conte's sworn trial testimony, correct?

05:38:36 11 A. Yes.

05:38:36 12 Q. Professor Conte observed that the claims simply require
05:38:41 13 a digital camera and a mobile portable device, fair?

05:38:45 14 A. Yes.

05:38:45 15 Q. He looked in the specification and he felt that the
05:38:48 16 specification -- he concluded that the specification fully
05:38:50 17 disclosed the combination of a mobile device and a digital
05:38:55 18 portable camera in any configuration. That's what
05:38:58 19 Professor Conte opined, fair?

05:38:59 20 A. That's what he says.

05:39:00 21 Q. Now, Professor Conte is a technical expert, correct?

05:39:03 22 A. Yes.

05:39:03 23 Q. He's an independent expert, correct?

05:39:05 24 A. Yes.

05:39:05 25 Q. He meets Dr. Villasenor's definition of a person of

05:39:10 1 ordinary skill in the art, correct?

05:39:10 2 A. I believe so.

05:39:11 3 Q. You do not, fair?

05:39:12 4 A. That's fair.

05:39:13 5 Q. So, although you are very experienced in business, sir,

05:39:16 6 extremely experienced, it is fair for the jury when they

05:39:20 7 consider the question of whether the claims are disclosed

05:39:23 8 in the specification to weigh the fact that you are not a

05:39:27 9 technical expert, fair?

05:39:28 10 A. I disagree.

05:39:30 11 Q. It is fair for the jury to weigh the fact that

05:39:35 12 Mr. Brady and Professor Conte, both of whom meet Wells

05:39:39 13 Fargo's definition of a person of ordinary skill in the

05:39:42 14 art, concluded that the claims are fully disclosed in the

05:39:49 15 specification, fair? The jury can consider that?

05:39:51 16 A. Well, I think the jury has to consider a number of

05:39:53 17 things.

05:39:54 18 Q. But the jury should consider what Professor Conte and

05:39:57 19 Mr. Brady felt, correct?

05:39:58 20 A. They should consider what we all say.

05:40:00 21 Q. And they should consider, for example, the fact that

05:40:06 22 Professor Villasenor's definition of a person of ordinary

05:40:10 23 skill in the art for these patents you do not meet, fair?

05:40:12 24 A. I don't meet them.

05:40:14 25 Q. And -- and to be clear, you are a highly, highly

05:40:20 1 experienced business person, correct?

05:40:21 2 A. Yes.

05:40:21 3 Q. But you are not a person of ordinary skill in the art

05:40:25 4 of these patents as Wells Fargo's technical expert,

05:40:29 5 Dr. Villasenor, has defined that, fair?

05:40:30 6 A. We were hired for different reasons.

05:40:34 7 MR. SHEASBY: Your Honor, objection,

05:40:36 8 nonresponsive.

05:40:36 9 THE WITNESS: Okay. I'm sorry.

05:40:37 10 THE COURT: I'll sustain that.

05:40:38 11 You need to ask -- answer the question rather --

05:40:40 12 THE WITNESS: I understand, Your Honor.

05:40:42 13 THE COURT: -- Mr. -- Mr. Saffici.

05:40:46 14 A. Ask your question again.

05:40:48 15 THE COURT: Restate your question, counsel.

05:40:49 16 Q. (By Mr. Sheasby) The jury can consider the fact that

05:40:50 17 when you're telling them that the patent doesn't disclose

05:40:53 18 the claims, you are not a person of ordinary skill in the

05:40:58 19 art as it's defined by Wells Fargo's only technical expert,

05:41:01 20 which is Professor Villasenor, fair?

05:41:04 21 A. I don't meet what he defined as a person of ordinary

05:41:10 22 skill in the art, but I meet what I define.

05:41:12 23 MR. SHEASBY: Objection, Your Honor,

05:41:14 24 non-responsive. And I move to strike.

05:41:16 25 THE WITNESS: All right, Your Honor. I'm sorry.

05:41:21 1 THE COURT: I'm not going to strike it, but I am
05:41:24 2 going to instruct you to ask it one more time.

05:41:27 3 MR. SHEASBY: Yes, Your Honor.

05:41:27 4 Q. (By Mr. Sheasby) The jury can consider the fact that
05:41:30 5 the definition of a person of ordinary skill in the art met
05:41:35 6 by -- described by Dr. Villasenor, you don't meet it, fair?

05:41:40 7 A. That's fair.

05:41:42 8 Q. And when patents are written, patents are written for
05:41:45 9 persons of ordinary skill in the art to understand, fair?

05:41:48 10 A. I disagree.

05:41:53 11 Q. You understand that when you do your written
05:41:56 12 description analysis, you're supposed to analyze the
05:42:00 13 disclosure in the specification from the standpoint of a
05:42:03 14 person of ordinary skill in the art, correct?

05:42:05 15 A. Yes, I agree.

05:42:09 16 Q. And so it doesn't matter what someone who doesn't have
05:42:13 17 that level of skill -- well, I withdraw the question.

05:42:16 18 The issues you talked about -- you talked about
05:42:28 19 anticipation, you talked about written description, you
05:42:30 20 talked about priority, you used all these words, but the
05:42:35 21 basic question is whether the claim language, a digital
05:42:39 22 camera and a mobile device, is present in the
05:42:43 23 specification. That's the question the jury must answer,
05:42:45 24 fair?

05:42:46 25 MR. JOHNSON: Objection, Your Honor. Misstates

05:42:49 1 the law and misstates what the question is the jury must
05:42:53 2 answer.

05:42:56 3 THE COURT: I'll allow the question. But as I
05:42:58 4 said earlier, at the end of the day, this jury -- this jury
05:43:02 5 is going to follow the instructions on the law that I give
05:43:05 6 them, not that they hear from any witness and not that they
05:43:07 7 hear from any lawyer in this case. But I'll permit the
05:43:10 8 question to be considered.

05:43:12 9 MR. JOHNSON: Thank you, Your Honor.

05:43:12 10 Q. (By Mr. Sheasby) Would you like me to rephrase,
05:43:15 11 Mr. Saffici?

05:43:15 12 A. Please.

05:43:17 13 Q. The anticipation defense that you've crafted and the
05:43:21 14 written description defense that you've crafted are all
05:43:25 15 collapsed back into the same basic question, which is
05:43:28 16 whether the claims in the specification -- the claims of
05:43:32 17 the patent, as written, are disclosed in the specification,
05:43:35 18 correct?

05:43:35 19 A. Disagree.

05:43:38 20 Q. You told the jury that if the claims of the patent have
05:43:51 21 support in the 2006 specification, there's no anticipation,
05:43:55 22 fair?

05:43:56 23 A. Say that again.

05:43:58 24 Q. If the claims of the patents are described in the 2006
05:44:06 25 specification, your anticipation theories go away, fair?

05:44:09 1 A. I disagree.

05:44:14 2 Q. The anticipation theory you presented to the jury
05:44:42 3 requires that the jury accept that the specification of the
05:44:48 4 2006 application doesn't disclose the claims of the patent,
05:44:51 5 fair?

05:44:51 6 A. I didn't say it doesn't disclose it. Ask the question
05:45:01 7 again, please.

05:45:02 8 Q. Sir, does the 2006 applications disclose the claims of
05:45:08 9 the patents at issue in this case?

05:45:09 10 A. Discloses one of them -- I mean, one of the ways the
05:45:14 11 claims describe the invention.

05:45:17 12 MR. SHEASBY: May I approach, Your Honor?

05:45:18 13 THE COURT: You may.

05:45:36 14 THE WITNESS: I'm going to put this here.

05:45:37 15 THE COURT: That's fine.

05:45:39 16 THE WITNESS: We'll put it here.

05:45:41 17 THE COURT: I sometimes think, ladies and
05:45:43 18 gentlemen, we support the paper industry in East Texas.

05:45:47 19 Go ahead, counsel.

05:45:48 20 MR. SHEASBY: Thank you, Your Honor.

05:45:49 21 Q. (By Mr. Sheasby) So I've handed you two large
05:45:54 22 collections of papers, correct?

05:45:56 23 A. Yes.

05:45:56 24 Q. And this is called the prosecution history of the
05:46:00 25 patents-in-suit, correct?

05:46:01 1 A. Well, I don't know.

05:46:02 2 Q. Why don't you look?

05:46:05 3 A. Okay. Yes.

05:46:06 4 Q. And if it's easier to you -- let's do it -- the
05:46:13 5 prosecution history is the record the Patent Office makes
05:46:17 6 of its examination of the patents in this case, correct?

05:46:20 7 A. That's correct.

05:46:21 8 Q. In addition to these records in front of us, there's
05:46:25 9 actually many, many more records reflecting the hundreds of
05:46:28 10 references that the examiner considered as part of this
05:46:31 11 process, fair?

05:46:32 12 A. Yeah.

05:46:33 13 Q. If it's helpful to you, I have copies of the
05:46:47 14 prosecution histories in binders behind you. I don't know
05:46:50 15 if it's going be more or less helpful to you. Because
05:46:55 16 they're in binders, they may be easier.

05:47:00 17 A. Which binder?

05:47:01 18 Q. It will be Tab 3 of 3 is where we'd start.

05:47:06 19 THE COURT: Let's start with a question, not a
05:47:11 20 discussion.

05:47:12 21 Q. (By Mr. Sheasby) Professor -- Dr. -- Mr. Saffici, you
05:47:16 22 understand that Patent Office examiners are required to
05:47:19 23 read the specification to determine if there is support in
05:47:25 24 a specification for the claims as part of the examination
05:47:28 25 process, correct?

05:47:29 1 A. Yes, I would agree.

05:47:32 2 Q. The question you are presenting to the jury is whether
05:47:37 3 the claims of the '605 and '681 patents are described in
05:47:44 4 the 2006 specification, correct?

05:47:48 5 A. Say it again.

05:47:50 6 Q. Sure. The question that the jury -- that you're
05:47:54 7 presenting to the jury is whether the claims of the '605
05:47:57 8 and '681 patents have priority to that 2006 application,
05:48:03 9 correct?

05:48:03 10 A. Yes.

05:48:04 11 Q. And priority is a way of saying, it's just -- it's
05:48:08 12 Patent Office jargon for the claims being disclosed in that
05:48:12 13 original specification, fair?

05:48:16 14 A. Disagree.

05:48:20 15 Q. Priority is describing whether the claims are fully
05:48:25 16 described in the original specification, correct?

05:48:28 17 A. Disagree.

05:48:33 18 Q. Let's turn to --

05:48:35 19 A. You're talking about anticipation, right?

05:48:38 20 Oh, I'm sorry, I can't ask questions.

05:48:42 21 Q. Why don't you turn to Tab 3 of your report -- Tab 3 of
05:48:49 22 your binder which is your report.

05:48:52 23 A. Which binder?

05:48:53 24 Q. It should be in the first binder, Mr. Saffici.

05:48:55 25 A. Binder 1?

05:48:58 1 Q. Yes, sir.

05:48:59 2 A. Okay. Tab 1?

05:49:05 3 Q. Yes. And why don't we turn to Paragraph 29.

05:49:11 4 A. Paragraph -- Volume 1 of 3?

05:49:16 5 Q. Volume 1 of 3, Tab 3 within that binder, which is your
05:49:20 6 report.

05:49:20 7 A. Tab 3, I'm sorry.

05:49:22 8 Q. And if you can go to Paragraph 29.

05:49:29 9 A. Something wrong here, Mr. Sheasby. Volume 1 of 3 --

05:49:33 10 THE COURT: Just a minute.

05:49:34 11 Yes, Mr. Johnson?

05:49:35 12 MR. JOHNSON: If I may, I believe the report is
05:49:38 13 actually at Tab 4.

05:49:39 14 MR. SHEASBY: Thank you.

05:49:41 15 THE WITNESS: Oh, okay.

05:49:42 16 A. Mr. Sheasby, again, tell me which --

05:49:46 17 Q. (By Mr. Sheasby) Paragraph 29.

05:49:51 18 A. I'm there.

05:49:52 19 Q. And why don't you read the first two sentences of your
05:49:56 20 report to yourself to refresh your recollection. And I'm
05:49:59 21 going to ask you a question.

05:50:23 22 A. Okay.

05:50:24 23 Q. The Patent Office considers the question of priority to
05:50:30 24 an earlier application, and that's the question of whether
05:50:33 25 there's written description for the claims in the earlier

05:50:36 1 application, correct?

05:50:37 2 A. Yeah, I agree that's where you start.

05:50:39 3 Q. And then why don't you turn to Paragraph 28 of your
05:50:42 4 report, and go ahead and read the first two sentences of
05:50:44 5 that section.

05:51:08 6 A. The first two sentences, right?

05:51:10 7 Q. Yes.

05:51:11 8 A. Okay.

05:51:11 9 Q. Written description, as you describe it, is whether the
05:51:16 10 patent claims are described in the specification, correct?

05:51:20 11 A. That's correct.

05:51:22 12 Q. And so when the Patent Office considers priority
05:51:29 13 questions, it's answering the question: Are the claims
05:51:33 14 described in the specification?

05:51:33 15 Correct?

05:51:34 16 A. Yes.

05:51:41 17 Q. The Patent Office in the '605 prosecution record
05:52:09 18 considered the question of priority, correct?

05:52:15 19 A. Yes.

05:52:16 20 Q. The Patent Office expressly considered whether the
05:52:22 21 original -- whether the claims of the '605 patent could
05:52:27 22 claim priority to the 2006 application, correct?

05:52:32 23 A. I don't know that I fully understand your question.

05:52:35 24 Q. Why don't you turn to Tab 17 in your binder? I believe
05:52:46 25 it's -- I believe it's Binder 2.

05:53:00 1 A. Right.

05:53:00 2 Q. And why don't you turn to Page 199 of that tab,
05:53:12 3 PX-1266, Page 199, and the pages are on the bottom --

05:53:15 4 A. Right, bottom right-hand corner.

05:53:19 5 Q. Bottom right-hand corner, you've got it, Mr. Saffici,
05:53:22 6 bottom right-hand corner.

05:53:23 7 A. I'm there.

05:53:24 8 Q. Why don't you go ahead and read --

05:53:31 9 A. The whole -- the whole paragraph, too?

05:53:35 10 Q. Well, in this document that you're reading on Page 199,
05:53:39 11 it's describing -- it's a communication from the Patent
05:53:43 12 Office -- the United States Patent Office to USAA, correct?

05:53:47 13 A. Yes.

05:53:48 14 Q. And the communication states that the applicant, that's
05:53:56 15 USAA, has -- has established the priority date of the
05:54:01 16 instant application as October 31st, 2006. Do you see
05:54:07 17 that, sir?

05:54:07 18 A. That's what the words say, yes.

05:54:09 19 Q. And just to unpack that jargon, the instant application
05:54:16 20 is the application that was filed in 2017 that became the
05:54:20 21 '605 patent, correct?

05:54:20 22 A. I'm sorry, say it again.

05:54:22 23 Q. The, quote, instant application that the PTO is
05:54:25 24 referring to is the 2017 application that became the '605
05:54:29 25 patent, correct?

05:54:32 1 A. Right, it was filed with that date, yes.

05:54:34 2 Q. And what the Patent Office is saying in this official
05:54:39 3 communication is that USAA has established its right to a
05:54:44 4 priority date of October 31st, 2006, correct?

05:54:48 5 A. Those are the words that it says.

05:54:50 6 Q. That's what the Patent Office decided. You disagree
05:54:53 7 with them, but that's what they decided, correct?

05:54:55 8 A. Well, I don't know if that's really a decision. I
05:54:58 9 would disagree.

05:55:02 10 Q. Okay. The Patent Office goes on to say, quote, in
05:55:12 11 light of the new priority date. Do you see that?

05:55:14 12 A. Yes, I do.

05:55:15 13 Q. And what the Patent Office did is, in light of the
05:55:19 14 priority date being established as 2006, it only considered
05:55:26 15 prior art references that existed before 2006, correct?

05:55:31 16 A. I'm sorry, say that again.

05:55:33 17 Q. The Patent Office said that there was a new priority
05:55:40 18 date for the application that became the 2000 -- the '605
05:55:44 19 patent, correct?

05:55:45 20 A. Well, they're notating what USAA said to them.

05:55:50 21 Q. And to be able to say that to them -- let me withdraw
05:55:54 22 the question.

05:55:55 23 To put it in context, the question that the PTO
05:56:01 24 was answering was what prior art it could use to compare
05:56:03 25 the patent claims to consider if they were novel and

05:56:10 1 non-obvious, correct?

05:56:12 2 A. Yes.

05:56:14 3 Q. And for context, the prior art that you can consider,
05:56:20 4 that the Patent Office considers, depends on the date of
05:56:22 5 priority of the application, correct?

05:56:24 6 A. That's correct.

05:56:24 7 Q. And if the date of the priority of the application is
05:56:29 8 2006, the Patent Office is forbidden from using any
05:56:32 9 references after 2006 to say that the invention in the --
05:56:37 10 in the patent was not novel or non-obvious, correct?

05:56:40 11 A. You say after 2006?

05:56:41 12 Q. Yes.

05:56:52 13 A. Well, if they accept a new priority date, then I would
05:56:52 14 agree.

05:56:52 15 Q. If they accept a new priority date, they do not use any
05:56:56 16 prior art from after 2006, correct?

05:56:59 17 A. Correct.

05:57:03 18 Q. After the Patent Office sent the official communication
05:57:09 19 to USAA, quote, establishing the new priority date of the
05:57:17 20 application is October 31st of 2006, the Patent Office
05:57:20 21 ceased rejecting -- the Patent Office ceased considering
05:57:25 22 any prior art dated after 2006, correct?

05:57:36 23 A. Where specifically are you referring now, just so I'm
05:57:44 24 sure?

05:57:45 25 Q. We'll do it in pieces. The Patent Office said that, in

05:57:48 1 light of the new priority date -- why don't you turn

05:57:58 2 actually to Tab 3 of your -- Tab 3 of your binders?

05:58:02 3 A. Tab 3. Volume 1?

05:58:12 4 Q. Uh-huh -- no, Volume 2. So it will be Page 2,

05:58:18 5 Volume 2, which should be Tab 3 of your binder.

05:58:21 6 A. I'm sorry, say it again, Mr. Sheasby, which volume?

05:58:26 7 Q. It's Tab 3 of your -- of your -- of your binders, and

05:58:32 8 it should be Volume 2.

05:58:37 9 A. There's a -- I mean, there's a Tab 3 in Volume 1; is

05:58:40 10 that the one you want me to go?

05:58:51 11 Q. Yes.

05:58:52 12 A. Tab 3 of Volume 1, okay.

05:58:56 13 Q. And turn to Page 90, Page 83, Lines 20 -- 24 --

05:59:02 14 A. I'm sorry, little Page 90?

05:59:05 15 Q. No, I'm sorry, why don't you go to little Page 83 and

05:59:09 16 read through 84.

05:59:17 17 A. I'm sorry, again, the pages to read?

05:59:19 18 Q. Why don't you read Page 83:24 to 84:2?

06:00:21 19 A. Sorry, again, where did you want me to stop?

06:00:24 20 Q. 84, Line 2?

06:00:27 21 A. Line 2?

06:00:28 22 Q. Yes, sir.

06:00:29 23 A. All right. I'm there.

06:00:33 24 Q. So to set the context, as part of the patent process,

06:00:39 25 USAA took the position and told the PTO that we believe we

06:00:45 1 are entitled to our October 31st, 2006, priority date,
06:00:49 2 correct?

06:00:49 3 A. That's what they did, yes.

06:00:51 4 Q. The PTO noted that was the case, correct?

06:00:54 5 A. In what we just looked at, yes.

06:00:58 6 Q. The -- USAA said, in light of our October 31st, 2006,
06:01:03 7 priority date, we don't think it's proper for you to
06:01:06 8 consider any art published after October 31st, 2006, fair?
06:01:12 9 That's what USAA said?

06:01:13 10 A. You're referencing back to Page 199?

06:01:24 11 Q. Yes, sir.

06:01:24 12 A. I don't see where it says USAA said that. Is that what
06:01:31 13 you -- is that how you asked me, I'm sorry?

06:01:33 14 Q. Why don't you go back to -- if you want to, you can go
06:01:37 15 back to Page 136 in the -- the prosecution history tab that
06:01:50 16 you're looking at.

06:01:53 17 A. Okay.

06:01:54 18 Q. So -- and you'll see where it says: Applicants added a
06:02:06 19 priority benefit claim in this application establishing
06:02:10 20 continuity back to October 31st, 2006?

06:02:13 21 A. I'm sorry, Mr. Sheasby, I'm not following you.
06:02:18 22 Page 136, whereabouts?

06:02:30 23 Q. Go to Page 136.

06:02:31 24 A. Yes, I'm there.

06:02:32 25 Q. It's the first paragraph, it says: After the

06:02:40 1 outstanding Office Action was -- was -- was issued.

06:02:44 2 A. Okay. I'm there.

06:02:45 3 Q. Go ahead and read that to yourself.

06:03:34 4 A. Okay. I've read that.

06:03:36 5 Q. So to set the context, USAA told the Patent Office
06:03:51 6 the -- USAA told the Patent Office that we are entitled to
06:03:56 7 our October 31st, 2006, priority date, and, therefore, you
06:04:00 8 should not consider any art dated after October 31st, 2006,
06:04:05 9 fair?

06:04:06 10 A. Yes, that's --

06:04:08 11 Q. The Patent Office, on Page 199, said, quote, in light
06:04:27 12 of the new priority date, examiner withdraws. Do you see
06:04:32 13 that?

06:04:32 14 A. Yes, I do.

06:04:32 15 Q. And what the examiner withdrew was art dated after
06:04:36 16 October 31st, 2006, correct?

06:04:38 17 A. That's what it appears this says. Or I guess that's
06:04:49 18 what it says.

06:04:49 19 Q. And so just so we're very clear, there was a
06:04:53 20 prosecution record -- a formal record that involved the --
06:04:56 21 the patent examiner in this case, correct, for this patent,
06:04:59 22 the '605 patent?

06:05:00 23 A. Say it again, please.

06:05:02 24 Q. We're dealing with the formal United States Government
06:05:04 25 prosecution record for the '605 patent, correct?

06:05:06 1 A. Yes, that's correct.

06:05:07 2 Q. In that formal prosecution record, USAA expressly told
06:05:13 3 the United States Government: We are entitled to our
06:05:18 4 October 31st, 2006, priority date for our claims.

06:05:21 5 Fair?

06:05:22 6 A. That's what they claimed, yes.

06:05:24 7 Q. USAA said to the United States Government: In light of
06:05:28 8 that, you cannot consider any art dated after October 31st,
06:05:32 9 2006.

06:05:32 10 Correct?

06:05:33 11 A. That's what they claimed, yes.

06:05:35 12 Q. And the United States Government -- the patent examiner
06:05:40 13 agreed that they should not consider any art after October
06:05:43 14 31st, 2006, when they examined this application, correct?

06:05:48 15 A. Oh, I'm not sure if agree is -- is indicated here.

06:06:01 16 Q. The United States Patent Office ceased considering any
06:06:07 17 art dated after October 31st, 2006, correct?

06:06:11 18 A. Can you show me where it actually says that?

06:06:14 19 Q. Sir, didn't you just testify to that?

06:06:17 20 A. Yeah, but you're pointing to this document here.

06:06:21 21 Q. Sir, you read the prosecution history, correct?

06:06:24 22 A. Yes.

06:06:25 23 Q. The prosecution history makes clear that after USAA
06:06:28 24 raised its requests that -- that it be accorded the October
06:06:33 25 31st, 2006, priority date, the Patent Office said: In

06:06:37 1 light of that new priority date, examiner withdraws its
06:06:40 2 previous grounds of concern.

06:06:43 3 Correct?

06:06:43 4 A. I agree that's what it says, yes.

06:06:45 5 Q. And so what we know definitively is that USAA said it's
06:06:53 6 entitled to its 2006 priority date, stopped considering art
06:06:56 7 after October 31st, 2006, correct?

06:06:58 8 A. That's what they asked for, yes.

06:07:02 9 Q. And the United States Patent Office in a formal
06:07:04 10 document responded that, quote, applicant filed a response
06:07:10 11 to non-final Office Action establishing the priority date
06:07:14 12 of the instant application as 10/31/2006.

06:07:17 13 Do you see that, sir?

06:07:19 14 A. I see that, yes.

06:07:20 15 Q. And in light of that, the examiner said that -- quote,
06:07:26 16 in light of the new priority date, examiner withdraws its
06:07:29 17 previous concerns, correct?

06:07:30 18 A. That is what he states.

06:07:32 19 Q. And, in fact, not only did the examiner withdraw his
06:07:36 20 previous concerns, the examiner actually allowed every
06:07:42 21 single claim in this patent, correct?

06:07:47 22 A. Well, it eventually was granted, if that's what you
06:07:51 23 mean.

06:07:52 24 Q. So to be clear, USAA said: We're entitled to our 2006
06:07:57 25 priority date.

06:07:58 1 Correct?

06:08:01 2 They said that in writing to the United States
06:08:03 3 Government, correct?

06:08:03 4 A. Yes, they did. Yes.

06:08:04 5 Q. And the United States Government granted USAA a United
06:08:10 6 States patent after USAA took that position, correct?

06:08:13 7 A. It was granted at some point.

06:08:17 8 Q. And, in fact, if you look at the records before the
06:08:25 9 PTO, the PTO actually had that 2006 application available
06:08:32 10 to it, correct?

06:08:33 11 A. I'm sorry, where are you?

06:08:36 12 Q. Why don't you turn to Tab 3 of your deposition, sir?

06:08:40 13 A. Okay.

06:08:43 14 THE COURT: Counsel, approach the bench, please.
06:08:46 15 (Bench conference.)

06:08:53 16 THE COURT: Mr. Sheasby, you fought very hard to
06:08:57 17 keep the Defendant from going through the prosecution
06:08:58 18 history, and we've been round and round and round the
06:09:02 19 prosecution history since you started the
06:09:05 20 cross-examination.

06:09:06 21 I've not heard an objection from the Defendant.
06:09:09 22 But I think this has been asked and answered several times.
06:09:14 23 I think it's time to move on.

06:09:15 24 MR. SHEASBY: I'll move on, Your Honor.

06:09:17 25 THE COURT: All right.

06:09:17 1 (Bench conference concluded.)

06:09:22 2 THE COURT: Let's proceed.

06:09:24 3 Q. (By Mr. Sheasby) I'd now like to move on to the '681
06:09:29 4 patent.

06:09:29 5 A. Okay.

06:09:32 6 Q. In the '681 patent, there was also a prosecution
06:09:35 7 record, correct?

06:09:35 8 A. So where are you now?

06:09:37 9 Q. I'm just asking you a question, Mr. Saffici.

06:09:40 10 A. Oh, I'm sorry.

06:09:41 11 Q. We just looked at the '605 patent prosecution history,
06:09:44 12 correct?

06:09:44 13 A. Yes.

06:09:44 14 Q. The '681 also had a prosecution associated -- history
06:09:48 15 associated with it, correct?

06:09:49 16 A. That's correct.

06:09:50 17 Q. And in the '681 patent prosecution history, USAA also
06:10:01 18 formally took the position that it had established
06:10:06 19 continuity back to October 31st, 2006, correct?

06:10:09 20 A. Yeah. Can you take me to that so I can refresh?

06:10:12 21 Q. Sure. Why don't you go to Tab 20?

06:10:14 22 A. Tab 20?

06:10:24 23 Q. Why don't you go to Tab [sic] 193?

06:10:27 24 A. One second. All right. I'm at 20.

06:10:34 25 Q. And Page 193, and you can look at the paragraph that

06:10:43 1 says: After that standing Office Action was issued.

06:11:03 2 A. Yes, I've read that.

06:11:04 3 Q. In the '681 patent prosecution record, USAA formally
06:11:12 4 took the position, and from the United States Government,
06:11:15 5 that it was entitled to the October 31st, 2006, priority
06:11:20 6 date, correct?

06:11:21 7 A. Yes.

06:11:21 8 Q. And the United States Government, after USAA took that
06:11:25 9 position, granted the patent, correct?

06:11:28 10 A. It was granted at some point, yes.

06:11:34 11 MR. SHEASBY: Your Honor, may I approach?

06:11:36 12 THE COURT: You may.

06:11:45 13 Counsel, approach the bench.

06:11:45 14 (Bench conference.)

06:11:50 15 MR. SHEASBY: Your Honor, I would now request
06:11:52 16 leave to ask the following question: And you agree that
06:11:56 17 the patent examiner for these patents has more expertise in
06:11:59 18 the field that's the subject of this application than you
06:12:01 19 do?

06:12:02 20 At his deposition he answered, yes. I don't
06:12:04 21 believe this is in violation of any instruction Your Honor
06:12:06 22 has given. Because of the significant nature of this
06:12:09 23 question, I did want to preview it with Your Honor.

06:12:12 24 THE COURT: Do you have an objection?

06:12:14 25 MR. JOHNSON: Yes, I do, Your Honor.

06:12:15 1 THE COURT: State your objection, please.

06:12:17 2 MR. JOHNSON: Lacks foundation and calls for --
06:12:19 3 calls for speculation and it's 403.

06:12:21 4 Plus, if he goes into the old angels and devils
06:12:25 5 debate about the patent examiner, and if I'm not allowed to
06:12:28 6 have the witness speculate about what was going on, surely
06:12:31 7 we're not going to speculate about the expertise of the
06:12:34 8 examiner versus this witness. I thought the examiner's
06:12:38 9 expertise was off limits.

06:12:41 10 MR. SHEASBY: Your Honor, I've been thinking a lot
06:12:42 11 about this, and the way that -- the reason why I come and
06:12:46 12 approach you about it is because -- you know, they kept
06:12:48 13 saying the Patent Office can make mistakes, the Patent
06:12:51 14 Office can make mistakes. And I do believe it's relevant
06:12:53 15 that he concedes that he -- and the Patent Office didn't
06:12:56 16 consider everything or that Wells Fargo didn't have a
06:12:58 17 chance. And I do think it's highly, highly relevant,
06:13:01 18 given --

06:13:01 19 THE COURT: Lower your voice just a little bit.

06:13:06 20 MR. SHEASBY: -- highly relevant given this --

06:13:06 21 MR. HILL: I'm sorry to interrupt, Your Honor.
06:13:06 22 That was what I was coming in to tell you. We could hear
06:13:07 23 everything going on out here.

06:13:08 24 THE COURT: Well, we've got a sound curtain over
06:13:11 25 the jury.

06:13:12 1 MR. SHEASBY: I think it is highly relevant
06:13:13 2 because I don't believe Mr. Saffici is an expert at all on
06:13:17 3 the subject on which he's testifying. I think I've laid a
06:13:20 4 proper foundation for it. And I think it's highly
06:13:22 5 significant that he conceded under oath that he has less
06:13:25 6 expertise than the Patent Office. This is not a one-off.
06:13:28 7 I don't believe he's a person of ordinary skill in the art.

06:13:30 8 THE COURT: He's admitted he's not a person of
06:13:32 9 ordinary skill in the art, at least as Dr. Villasenor would
06:13:35 10 define it.

06:13:35 11 MR. SHEASBY: And now I'm getting the admission
06:13:38 12 that he has less expertise than even the patent examiner
06:13:42 13 did in this field.

06:13:44 14 MR. JOHNSON: Your Honor, he would have no way to
06:13:44 15 say one way or the other -- any foundation for the
06:13:47 16 question -- nobody knows the examiners.

06:13:47 17 MR. SHEASBY: But he's --

06:13:51 18 MR. JOHNSON: This gets into the whole debate that
06:13:53 19 this Court tried to avoid.

06:13:55 20 THE COURT: I understand.

06:13:55 21 MR. SHEASBY: But he answered the question. He
06:13:58 22 read the prosecution history. It's under oath. He said
06:14:00 23 it. They tried to strike this passage, and Judge Payne
06:14:03 24 overruled them.

06:14:04 25 THE COURT: This is -- this is from his

06:14:06 1 deposition?

06:14:06 2 MR. SHEASBY: It is, Your Honor.

06:14:10 3 MR. JOHNSON: And later in his deposition, he
06:14:12 4 explains that you've got the patent prosecution
06:14:18 5 procedures -- this seems highly prejudicial, Your Honor.

06:14:19 6 THE COURT: I think -- I think under 403, it's
06:14:22 7 more prejudicial than it is probative. I'm going to deny
06:14:25 8 your request.

06:14:27 9 MR. SHEASBY: Thank you, Your Honor.

06:14:36 10 (Bench conference concluded.)

06:14:36 11 Q. (By Mr. Sheasby) The United States Government granted
06:14:40 12 both these patents after USAA formally requested that it --
06:14:45 13 and formally took the position that it was entitled to the
06:14:47 14 2006 priority date, correct?

06:14:48 15 A. I know that the patents were granted.

06:14:54 16 MR. SHEASBY: Objection, nonresponsive,
06:15:01 17 Your Honor.

06:15:01 18 THE WITNESS: Can I ask a question?

06:15:03 19 THE COURT: No, just a minute, Mr. Saffici.

06:15:05 20 I'll sustain the objection. The answer doesn't
06:15:12 21 join the question that's asked.

06:15:15 22 Ask the question again, counsel.

06:15:17 23 Q. (By Mr. Sheasby) Mr. Saffici, the United States
06:15:20 24 Government granted the '605 and '681 patents after USAA
06:15:24 25 formally took the position that its claims were supported

06:15:29 1 by the original 2006 application, correct?

06:15:33 2 MR. JOHNSON: Your Honor, may we -- may we
06:15:36 3 approach? I have an objection to the question.

06:15:40 4 THE COURT: Then approach the bench.

06:15:47 5 (Bench conference.)

06:15:47 6 THE COURT: What's your objection?

06:15:48 7 MR. JOHNSON: The question misstates the
06:15:51 8 prosecution history. It did not immediately -- it did not
06:15:54 9 grant after they claimed the date. There was significant
06:15:57 10 prosecution after, and there was an interview, there was a
06:15:59 11 significant period of activity afterwards.

06:16:02 12 MR. SHEASBY: Your Honor, that's not --

06:16:04 13 THE COURT: Well, then he can -- he can answer the
06:16:06 14 question no, if he's familiar with the prosecution history.
06:16:09 15 And you can revisit it on redirect. I'm going to allow him
06:16:12 16 to answer the question.

06:16:14 17 MR. JOHNSON: Thank you.

06:16:15 18 (Bench conference concluded.)

06:16:17 19 THE COURT: You may answer the question,
06:16:21 20 Mr. Saffici. I'm going to overrule that objection.

06:16:23 21 And I guess we'll have to have it asked for the
06:16:27 22 third time. Go ahead, Mr. Sheasby.

06:16:28 23 MR. SHEASBY: Yes, Your Honor.

06:16:29 24 THE COURT: Ask the question again.

06:16:30 25 Q. (By Mr. Sheasby) Mr. Saffici, the United States

06:16:34 1 Government granted these patents after USAA formally
06:16:38 2 requested and took the position that it was entitled to the
06:16:41 3 October 31st, 2006, priority date, correct?

06:16:45 4 A. I guess that's correct.

06:16:55 5 Q. The '605 patent claims require the use of a portable
06:17:05 6 device or a mobile device that is a general purpose
06:17:08 7 computer, correct?

06:17:10 8 A. I'm sorry, where are you?

06:17:11 9 Q. Sir, I'm just asking you a question.

06:17:13 10 A. All right.

06:17:15 11 Q. The '605 patent requires the use of a portable device
06:17:19 12 or a mobile device that has a general purpose computer,
06:17:24 13 correct?

06:17:24 14 A. I -- I'd need to look at the claims just to verify
06:17:28 15 that's where it is. I know it's either in one or both.

06:17:30 16 Q. Well, why don't you turn to Tab 3 of your deposition?

06:17:34 17 A. Tab 3, oh. I'm there.

06:17:46 18 Q. And why don't you look at Page 44, Lines 1 through 8?

06:17:50 19 A. Little Page 44?

06:17:53 20 Q. Yes, sir. And let me know when you've finished reading
06:18:12 21 that.

06:18:13 22 A. I've read that. I've read.

06:18:17 23 Q. So the '605 patent claims require the use of a portable
06:18:20 24 device or a mobile device that is a general purpose
06:18:22 25 computer, correct?

06:18:23 1 A. That is what I said in my testimony.

06:18:26 2 MR. SHEASBY: And, actually, why don't we --

06:18:28 3 Mr. Huynh, let's actually pull up PX-1186 and let's turn to
06:18:42 4 Page 27.

06:18:49 5 Q. (By Mr. Sheasby) It's on the screen, Mr. Saffici?

06:18:51 6 A. Okay.

06:18:52 7 MR. SHEASBY: And let's highlight the first two
06:18:54 8 limitations, just up through -- that's fine.

06:18:58 9 Q. (By Mr. Sheasby) The claims of the '605 patent recite
06:19:01 10 the presence of a portable device and a digital camera,
06:19:06 11 fair?

06:19:08 12 A. Yes.

06:19:10 13 Q. The claims in the '605 patent don't say anything about
06:19:15 14 how the digital camera and portable device are connected,
06:19:18 15 correct?

06:19:18 16 A. That's correct.

06:19:26 17 Q. The claims of the -- of the -- the claims of the
06:19:32 18 patents-in-suit allow for any combination of digital camera
06:19:36 19 and portable device, correct?

06:19:39 20 A. Repeat, please?

06:19:42 21 Q. The claims of the '605 patent and the '681 patent, the
06:19:46 22 claims themselves just require the presence of a digital
06:19:50 23 camera and a portable or mobile device, correct?

06:19:55 24 A. Yes.

06:19:56 25 Q. The specification of the '605 and '681 patent

06:20:01 1 describes, you agree, a portable or mobile -- mobile
06:20:06 2 device, correct?

06:20:07 3 A. I don't remember if that's how it's in the
06:20:10 4 specification. Let me look.

06:20:20 5 Q. Why don't you actually -- well, let me ask it this way:
06:20:25 6 You stand by your opinion that the specifications of the
06:20:29 7 patents describe mobile devices, correct?

06:20:31 8 A. I want to confirm that mobile is in the specification.

06:21:00 9 Q. Why don't you turn to Tab 3 of your deposition,
06:21:03 10 Mr. Saffici.

06:21:05 11 A. All right. I'm there.

06:21:06 12 Q. So the question I asked you was: You stand by your
06:21:09 13 opinion that the specifications of the patents-in-suit
06:21:12 14 describe mobile devices, correct?

06:21:15 15 A. Where -- where are you on Tab 3?

06:21:17 16 Q. That's just the question I asked you, correct, sir?

06:21:21 17 A. That's why I said, I wanted to confirm that the
06:21:24 18 specification includes what you've asked me.

06:21:26 19 Q. Why don't you go to Page 55 -- 51 of your deposition.

06:21:34 20 A. I'm sorry, 51 or -5, did you say?

06:21:38 21 Q. 51, and read Lines 5 through 10.

06:21:53 22 A. Yes, that was my testimony at the time.

06:21:54 23 Q. So your testimony under oath at the time was that the
06:21:57 24 specification of the patents-in-suit describes mobile
06:22:02 25 devices, correct?

06:22:03 1 A. That's what I said in my deposition.

06:22:05 2 Q. And, in fact, you have no reason to change your
06:22:08 3 opinion. You continue to agree that mobile devices are
06:22:12 4 disclosed within the specifications of the patents-in-suit.
06:22:14 5 Correct?

06:22:17 6 A. That is my deposition -- or that is my deposition
06:22:23 7 testimony.

06:22:24 8 Q. Now, today, in front of the ladies and gentlemen of the
06:22:26 9 jury, you provided a different opinion, correct?

06:22:42 10 A. Can you recall my recollection of what I said today?

06:23:09 11 Q. Sir, the specifications of the patents in this case
06:23:15 12 disclose the use of mobile devices with digital cameras,
06:23:23 13 correct? That's what you testified to previously.

06:23:25 14 A. That is -- that is what I testified to, yes.

06:23:27 15 THE COURT: All right. At this point, we're going
06:23:29 16 to break for the day, ladies and gentlemen.

06:23:31 17 This cross-examination has additional time to go,
06:23:35 18 and I'm not going to keep you any later. I appreciate your
06:23:38 19 patience, and it's been a long day, but we will have you
06:23:42 20 back in the morning to continue.

06:23:43 21 As you leave the courthouse this evening, please
06:23:47 22 leave your notebooks on the table in the jury room. Please
06:23:51 23 follow all my instructions, including, of course, not to
06:23:54 24 discuss the case with anyone or yourselves.

06:23:56 25 I'd like to have you back in the morning so we

06:23:58 1 could continue on our regular schedule, hoping to start as
06:24:02 2 close to 8:30 as possible.

06:24:03 3 With that, travel safely to your homes, and the
06:24:07 4 jury is excused for the evening.

06:24:09 5 COURT SECURITY OFFICER: All rise.

06:24:10 6 (Jury out.)

06:24:10 7 THE COURT: Please be seated.

06:24:30 8 You can step down, Mr. Saffici.

06:24:33 9 THE WITNESS: Step down?

06:24:35 10 THE COURT: You can step down.

06:24:37 11 THE WITNESS: Okay.

06:24:37 12 THE COURT: You're coming back tomorrow; don't
06:24:40 13 worry.

06:24:40 14 THE WITNESS: Just leave everything there?

06:24:41 15 THE COURT: Leave everything there.

06:24:44 16 Counsel, according to my records, the Plaintiff
06:24:55 17 has 4 hours and 1 minute remaining. The Defendant has 2
06:24:58 18 hours and 36 minutes remaining.

06:25:02 19 Also, it's clear that this witness is in the
06:25:05 20 middle of cross-examination. I expect there'll be redirect
06:25:09 21 tomorrow. I'm anticipating and directing that the same
06:25:12 22 practice we followed throughout this trial be applied to
06:25:14 23 this witness, that he not be consulted with, prepped, or
06:25:19 24 otherwise prepared by his side until he's -- or throughout
06:25:26 25 the remainder of his testimony.

06:25:28 1 We're in the same position we were when
06:25:30 2 Mr. Melsheimer asked about it earlier in the day.

06:25:33 3 I have received your updated and joint submission
06:25:37 4 on the final jury instructions and charge. Much like the
06:25:43 5 general contours of this case, there are quite a few
06:25:47 6 objections and disagreements. We're going to have to work
06:25:50 7 through all of those.

06:25:52 8 I'll be in chambers by 7:30 in the morning. We'll
06:25:59 9 follow the same practice of you meeting and conferring
06:26:02 10 about any disputes that arise overnight. And I'll meet
06:26:05 11 with you then and before 8:30, if necessary, to resolve
06:26:09 12 those.

06:26:11 13 It would not hurt my feelings at all if you didn't
06:26:16 14 have any more disputes to resolve in the morning, but I
06:26:18 15 wouldn't bet the farm on it. I'll be here either way.

06:26:22 16 Are there questions from either Plaintiff or
06:26:24 17 Defendant before we recess for the evening?

06:26:24 18 MR. SHEASBY: Nothing from Plaintiffs, Your Honor.

06:26:25 19 THE COURT: Anything from Defendant?

06:26:26 20 MR. MELSHEIMER: No, Your Honor.

06:26:27 21 THE COURT: All right. Counsel, have a good
06:26:28 22 evening. I will see you in the morning. We stand in
06:26:31 23 recess.

06:26:32 24 MR. SHEASBY: Thank you, Judge.

06:26:33 25 COURT SECURITY OFFICER: All rise.

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(Recess.)

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct transcript from the stenographic notes of the proceedings in the above-entitled matter to the best of my ability.

/S/ Shelly Holmes
SHELLY HOLMES, CSR, TCRR
OFFICIAL REPORTER
State of Texas No.: 7804
Expiration Date: 12/31/20

1/8/2020
Date